Study on Online Consumer Reviews in the Hotel Sector

Final Report

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1. Introduction

1.1 Background to the study

The internet has brought about significant changes in the way consumers purchase goods and services and how businesses advertise and sell such goods and services. Today, price and product comparison websites and online consumer reviews are widely used tools by consumers and are becoming embedded in consumer behaviour and business models (EC, 2013a). These comparison tools bring a number of benefits to consumers (e.g. in terms of saving time and money, finding deals that are best suited to each consumer's individual needs, facilitating cross-border purchases, etc.) as well as businesses (e.g. by helping retailers and service providers improve their market positioning and reach a broader consumer base). The rapid increase in the uptake and use of these comparison tools and the influence they can have on consumers' decisions have, however, given rise to concerns about their trustworthiness. If the transparency and reliability of comparison tools and online reviews is not guaranteed, they can become a source of consumer detriment and risk undermining consumers' trust in the market as a whole (EC, 2013c).

As a first step in addressing the issue of transparency and reliability of comparison tools, the European Commission (EC) set up a stakeholder dialogue process (EC, 2012) to identify existing shortcomings in the functioning of comparison tools and explore the most efficient and effective ways for addressing them. The dialogue process was launched on 29 May 2012, with the organisation of a series of workshops held in Brussels, with the participation of representatives from national and EU-level consumer organisations, Member States' national authorities and EU-wide business associations and chaired by DG SANCO. The conclusions and recommendations of the Multi-Stakeholder Dialogue on Comparison Tools (MSDCT) were summarised in a report (EC, 2013a).

One of the key areas covered in the MSDCT is the issue of user ratings and reviews. While these allow consumers to assume a participatory role in the evaluation and comparison of products and services, doubts have been expressed about their value and authenticity. Some of the issues identified include: cases where paid advertising have been camouflaged as spontaneous user testimonials; cases of flooding of positive reviews organised by companies; removal of negative reviews; targeting of respectable businesses with biased negative reviews submitted by their competitors; etc. As noted during the MSDCT, the challenge is finding a balance between an efficient system for collecting user reviews and an effective control mechanism to avoid abuses

With these issues in mind, DG SANCO has commissioned this study to focus on the online market of hotel reviews, consumers' reliance on such reviews and possible harm caused by biased presentation of reviews or fake reviews. The study examines the occurrence of biased or fake reviews, the sources of fake reviews (including e-reputation agencies), how the reviews are managed and published by the operators, how the authenticity and quality of the reviews is being assessed, what mechanisms the online platforms operators employ to spot fake reviews and to prevent tampering and whether there have been any actions taken to address these issues by the operators, the industry and consumer protection authorities. The study also identifies possible ways in which the issue of online fake reviews can be addressed and provides recommendations to this end.

1.2   Objectives of the study

The specific objectives of this study are to:

- provide an overview of the market of online hotel reviews in the EU;
- analyse current practices on hotel booking and review websites in all EU Member States;
- provide an overview of measures taken to address fake reviews and the misleading use of reviews;
- gather feedback on the study findings at a workshop; and
- report on the results of the study and the workshop.

1.3   Methodology

This Section summarises the methodological approach adopted for this study. In general, the approach to this study mirrored the key objectives of the study and involved undertaking the following key tasks:

- **Literature review**: This involved a systematic review of recent literature relating to online hotel reviews, verification and authentication mechanisms, enforcement activities by national authorities and other related organisations, etc. This involved looking through: the websites of online booking and review websites; existing studies, reports and guides about the hotel market written and/or promoted by consumer agencies, industry associations, industry insiders, etc.; information on enforcement activities and related background material linked to online reviews; etc.

- **Online Survey**: For the purposes of this study, consultation was undertaken with all relevant stakeholder groups, using four targeted questionnaires aimed at: (a) hotel and review website operators; (b) industry associations; (c) public authorities and European Consumer Centres; and (d) consumer organisations and NGOs. The online survey ran from February to March 2014 and was hosted on the RPA website. In total, 60 responses were received from stakeholders through the online survey, broken down as follows:

  o 31 public authorities and European Consumer Centres (ECCs)

  o 17 consumer organisations

  o 5 industry associations

  o 7 review website operators

- **Interviews**: As part of the study, we also held telephone discussions with seven selected organisations within the EU and in non-EU countries. The aim of the selected interviews was to verify the information obtained from the literature review, particularly relating to actions taken by various organisations to address misleading and/or fake reviews.

- **Website checking**: We undertook a website checking exercise, where this involved the screening of review websites across the EU-28 in order to establish the state of affairs in relation to the presentation of the review results (e.g. type and clarity of scoring criteria, etc.), the types of verification mechanisms in place for

posting reviews and the manner in which review website operators deal with misleading and/or fake reviews (e.g. reviews policies, terms and conditions, complaints or dispute resolution tools, etc.). In total, 423 websites were checked across the EU-28.

- **Workshop**: RPA presented the draft study results during the 'Trust Online' seminar at the European Consumer Summit held in Brussels on 1 April 2014. A discussion document was also provided which included a summary of the main findings of the study. The key findings from the discussions were taken into account in finalising the key study findings.

1.4 Structure of this report

The remainder of this report has been organised as follows:

- Section 2 presents an overview of **consumers attitudes towards online reviews**;

- Section 3 sets out a **typology** for hotel review websites;

- Section 4 provides an **analysis of current practices on hotel review websites**;

- Section 5 provides an analysis of the **problems associated with misleading and/or fake reviews** in the hotels sector;

- Section 6 sets out the **measures taken to address the problems** with misleading and/or fake reviews;

- Section 7 provides an **analysis of EU consumer protection legislation** relevant to misleading and/or fake reviews;

- Section 8 discusses **possible additional measures** for addressing misleading and/or fake reviews;

- Section 9 provides a **summary of key findings and recommendations**; and

- Section 10 provides a list of **references**.

2. Consumer attitudes towards online reviews

2.1 Introduction

This section collates and analyses available research and information on consumers' attitudes towards online reviews. It aims to summarise the key findings of a literature review of various publications and articles which can shed more light on:

- the importance consumers place upon online reviews;

- how trustworthy consumers consider reviews to be; and

- whether the trend for using online reviews in hotel bookings is increasing or decreasing.

2.2 Importance consumers place upon online reviews

2.2.1 Importance of online reviews relative to other sources of information

Consumers rely on a number of sources of information when deciding on purchases. These sources include personal recommendations from friends and family, company websites and other related communication materials, feedback from other consumers who have purchased the good or service, and reviews by peers. The **development of e-commerce** has meant that online reviews have become an increasingly important part of consumers' purchase decisions. Today, it is estimated that around 82% of consumers read reviews before making a purchase (ECC-Net, 2013). In addition, over 70% of consumers note that online reviews make them more comfortable that they are making the correct purchase decision (Review Trackers, 2013). This reflects the importance that consumers place on online feedback, mainly because of its perceived impartiality. Research indicates that over 60% of consumers trust information received from peers, rather than information received from companies. In addition, over 50% of consumers also perceived review websites as more trusted sources of information compared with companies' official websites (Consumer Focus, 2012).

With regard to hotel and travel, historically, the major source of information has been from travel agents in so-called 'brick-and-mortar' shops. Today, this has changed and **online reviews have become the major source of information for consumers**. A study by the University of Applied Sciences Worms, Germany, indicates that almost 96% of internet users consider online reviews as important (Conrady, 2012). Similarly, figures from the US reveal that over 80% of respondents to a survey consider online reviews as valuable (ReviewTrackers, 2013). A survey by TripAdvisor (2013) also showed that online platforms were the main source of information for consumers planning and researching a trip during 2012 – 2013. The global survey found that travel review websites were the most popular information source (used by 69% of consumers), followed by web-based travel agencies (57%) and travel operator websites (56%). Looking specifically at Europeans, the percentage of consumers who rely heavily on travel review websites is 76% (compared with 69% globally) and, indeed, online reviews were cited as the third most important factor in making travel decisions (preceded only by price and location). According to the survey, the travel plans of over 90% of consumers were influenced by evaluations posted on online review websites.   These studies and surveys show the importance of online review websites as a source of travel information, research and planning and the extent to which consumers consider these to be useful and trustworthy sources of travel advice.

The **impact of socio-demographics** on the importance of online reviews should also be noted. A report by TNS Political & Social (2013) indicates that women are slightly more likely than men to mention travel agencies/tourism offices, as opposed to websites, as the most important source of information when deciding on travel plans. People aged 55+ are much less likely to mention internet websites as important; however, they are the most likely to mention tourism offices/travel agencies. The level of education is another factor impacting on the importance of online reviews to consumers. Those who had completed their education by age 16 were the most likely to mention tourism offices/travel agencies as important sources of information. It also appears that the longer a respondent remained in education, the more likely he/she was to mention Internet websites as important. Lastly, employment status is also an influencing factor. The survey found that respondents who were unemployed were also the least likely to mention internet websites and recommendations from friends, colleagues or relatives. Conversely, respondents who were employed were the most likely to mention these two information sources.

2.2.2 Importance of online consumer reviews by country

In discussing the importance of online consumer reviews, it must be recognised that there are **noticeable differences between EU countries** in terms of the importance placed on online hotel reviews. This is based on various factors, such as:

- the extent to which there has been a shift to online travel agencies from 'brick-and-mortar' travel agencies;
- the popularity and use of the internet in specific countries;
- online purchasing behaviour of consumers in different countries;
- differences and variations in consumers' actual travel habits; and
- the place of origin (or residence) of the consumer.

In the brick-and-mortar travel agency, a traveller would pay a trained travel agent to research and present them with travel options, either in person or by telephone. In some countries, consumers still prefer brick-and-mortar travel agents even if there has been a greater **shift to purchasing travel from online travel agencies** in other countries (this shift can be seen in mature online markets such as Scandinavia and the UK) (PhocusWright, 2011).

In general, it is important to note that the vast majority of users of review websites do not actively post reviews themselves; rather they read reviews left by others. This is somewhat reflected in the so-called "1% rule" or the "90-9-1 principle" pertaining to participation in an internet community, according to which only 1% of the users of a website actively create new content, another 9% percent will engage with/edit content and the remainder will only view or read content (The Guardian, 2006). It is, however, possible that the number of reviewers is higher for some review websites due to the higher levels of consumer engagement, websites requiring little effort to contribute, lower barriers of entry, etc. A survey conducted by Testntrust (a French reviews website) shows that 45% of consumers who read reviews in 2012 never actually posted a review themselves (Testntrust, 2012).

Research attitudes, especially as they are linked to the **popularity and use of the internet**, are another key factor which influences the importance consumers place on online reviews. As noted in TNS (2013), the popularity and use of the internet as a source of information is much more common in some EU countries, such as the

Netherlands, Finland, Denmark, Sweden and the UK, for example. It appears that almost half of respondents in these countries use internet websites when researching and arranging travel, compared with countries like Romania, Bulgaria and Slovenia where less than a third of respondents refer to internet websites as sources of travel information. However, it must be noted that the popularity and use of the internet is not the only factor explaining consumers' attitudes to travel research. There are also national preferences to consider. Using one example, while over 50% of people in the Czech Republic consider the internet to be an important source of information, recommendations by friends, colleagues or relatives are the most important sources of information for over 60% of people in the Czech Republic (TNS, 2013).

The **online purchasing behaviour of consumers** will also impact on the importance they place on reviews and this will also vary by country. Eurostat figures for 2012 showed that, with regard to e-commerce, the most enthusiastic online shoppers were the British (82% of internet users had shopped online), followed by the Danes and Swedes (both 79%), the Germans (77%), the Luxembourgians (73%) and the Finns (72%) (Ecommerce Europe, 2013). As to the least enthusiastic online shoppers, the figures point to the Romanians (11%), Bulgarians (17%) and the Estonians and Italians (29%). These factors will obviously influence the importance consumers from these countries place on online reviews.

It is also important to consider possible **differences and variations in consumers' actual travel habits**. For example, some tend to vacation or engage in travel primarily within national borders while others tend to go abroad for holidays. TNS (2013) indicates that, in 2012, almost half of respondents chose their own country for their main holiday and a third vacationed within the EU-27. Therefore, it can be expected that more avid travellers will place greater importance on online reviews. In addition, travel markets with large **numbers of visitors** will tend to have more consumer reviews available, compared with smaller travel markets with relatively low numbers of visitors. This is clearly visible in countries like the UK, France, Germany, Spain and Italy which are popular tourist destinations and tend to have a much larger number of travel review websites than countries which are less popular as travel destinations (e.g. Romania). It appears from the website checking undertaken for this study that the **size of the country** also matters. Malta, for example, is a popular tourist destination but has a small population and only a few dedicated travel websites containing reviews. Similarly, Luxembourg is a relatively popular travel destination (often for business purposes) for EU residents living in the neighbouring countries. However, like Malta, it has a very small population and only a few dedicated travel websites containing reviews. It appears that travellers in these two countries rely primarily on the major international websites which contain hotel reviews for all countries, including Luxembourg and Malta.

Place of origin or residence (and thus expectations) may also impact on perceptions of online reviews, reflecting to an extent differences in living standards and/or national attitudes toward online feedback. For example, the annual Porter Novelli EuroPNstyles survey (2011) reveals that, of all Europeans, Germans are most likely to write online reviews, with over 70% doing so (whether they have had a good or a bad experience). On the contrary, while over half of Dutch consumers read product reviews prior to making a purchase, only one in five state they trust online reviews and less than 60% say they would write a review themselves (whether positive or negative). The number is even lower for French and Belgian consumers, 55% of which state they would write a review if satisfied with their purchase (E-commerce Facts, 2011).

Overall, it can be concluded that the importance of online consumer reviews varies on a country basis depending on a combination of various economic, technological or cultural factors.

2.2.3 Importance of social media to consumer reviews

Social media are an increasingly important source of information for consumers. A survey by Havas Worldwide shows that half of consumers say that social media or non-branded blogs have changed their mind about a product or service they considered buying (Havas, 2013).

Social media are likely to play an increasingly important role as consumers from all over the world share their travel experiences, including reviews of hotels. The Table below illustrates the importance attributed to travel websites and social media sites by consumers in making travel decisions.

Table 2-1: Importance of information sources when making decisions about travel – consumers' perception in the EU-28 (%)		
Country	**Internet Website**	**Social Media Sites**
Austria	49	6
Belgium	49	4
Bulgaria	32	5
Croatia	35	3
Cyprus	42	7
Czech Republic	52	3
Denmark	57	3
Estonia	55	5
Finland	63	7
France	43	3
Germany	47	6
Greece	44	7
Hungary	41	4
Italy	46	4
Ireland	48	5
Latvia	47	6
Lithuania	41	4
Luxembourg	51	3
Malta	46	3
Netherlands	63	8
Poland	40	5
Portugal	38	10
Romania	24	8
Slovakia	47	8
Slovenia	31	6

Table 2-1: Importance of information sources when making decisions about travel – consumers' perception in the EU-28 (%)		
Country	Internet Website	Social Media Sites
Spain	44	7
Sweden	57	11
United Kingdom	53	4
Source: Flash Eurobarometer 370 (2013): Attitudes of Europeans towards Tourism, available at: http://ec.europa.eu/public_opinion/flash/fl_370_en.pdf		

The Table clearly shows that while internet (travel) websites are clearly the most important source of information at present, social media are becoming a relatively important source of information. As seen earlier in Section 2.2.2, national differences can also be observed in the use of social media websites (e.g. Swedish and Portuguese consumers are the most likely to use social media sites for making travel decisions).

Travellers engage in social networks to plan their trips and share their travel photos and stories, including reviews; social media are not primary channels for travellers to purchase travel services. Figures reveal that about a fifth of travellers have shared their experiences in an online blog or forum and that around a quarter used social media when planning their last trip. Of these, three quarters utilised Facebook for this purpose. Nearly 40% of consumers worldwide added comments about their holiday to their social network and over 30% wrote a review of their experience. Facebook was also perceived as the most useful (54%) and trusted (48%) social media platform for researching and planning travel. Indeed, around 85% of travellers are reported to have been affected by content posted on Facebook (e.g. comments, photos, videos) (TripAdvisor, 2013). The importance of Facebook must be understood with the context that it is the most widely used social networking site globally boasting over 1.2 billion monthly active users, as of the end of 2013.

Table 2-2: Social media and consumer trust		
Website	Useful	Trustworthy
Facebook	54%	48%
Google+	22%	24%
Twitter	4%	5%
Flickr	1%	2%
Instagram	1%	1%
Myspace	n/a	1%
Orkut	n/a	1%
Pinterest	1%	1%
Other	16%	18%
Source: TripAdvisor (2013)		

Further evidence of the importance of Facebook in travel planning can also be seen in the extent to which this social platform is embedded in the reviews process for many travel websites. For instance, in April 2012, TripAdvisor launched a connection to Facebook that allows users to select reviews from people in their social contact list. By partnering with Facebook, TripAdvisor has enabled consumers to further

personalise the value of online reviews. Yelp, another reviews website, also allows users to use Facebook to find and connect with their friends. In this context, a report by a private hotel group entitled "European Hotelier Pulse-Check" examined the business/growth plans and strategies for social networking sites by hoteliers in 2013. It showed that 58% of the respondents had created a profile of their hotel on social networking sites compared to 47% of respondents in 2011. In addition, 43% of them regularly post news and information on these sites, compared with around 33% in the corresponding survey in 2011 (Choice Hotels Europe, 2013).

2.2.4 Importance of consumer reviews from a business perspective

The overall importance of consumer reviews can also be deduced from their importance to businesses. As shown by the E-commerce website, the three factors that drive sales are **online reviews, responsive websites and good visuals** (E-commerce Facts, 2013). Figures from the US suggest that 63% of consumers are more likely to purchase from a website if it has product ratings and reviews. 96% of retailers also ranked customer ratings/reviews as an effective tactic at driving conversion (Reviews Tracker, 2013).

As **hotels have recognised the importance of online reviews** to consumers' travel decisions, they have engaged with review platforms in order to enhance their business profiles and interact with potential guests. One survey indicates that 6% of UK hoteliers dedicate a whole afternoon each week to responding to reviews. German hotelier respondents post news and information less regularly than hotel operators in other countries (29%) and half (50%) of French hotelier respondents spend less than half an hour each week reading and responding to online reviews (Travel Daily News, 2013). Indeed, engaging with potential guests via social media platforms has become **a marketing priority** for nearly 40% of all hotel operators. The vast majority of these hotel operators monitor the feedback and comments they receive on social media as the content clearly has an impact on their reputation and, subsequently, on their revenue. Figures show that over 75% of businesses address this aspect themselves by monitoring the online content relating to them. Fifteen percent (15%) have dedicated staff to do this and 5% are said to outsource the task to an agency or third party. These efforts are understandable considering that nearly all businesses (96%) consider online travel reviews to be of upmost importance in generating bookings and around 80% of them are concerned about the potential impact of negative reviews (TripAdvisor, 2013).

In addition to demonstrating the importance of online consumer reviews to businesses, these statistics show that property owners clearly understand the value of a positive review for their business in terms of good reputation and continued revenue. Similarly, they understand the damage that can be inflicted by negative reviews or even a single negative comment. This is likely the reason why businesses, and especially hotels, take the time and effort to respond to consumers' online feedback, as shown by Travel Daily News (2013). As the majority of hotel operators receive online feedback via external websites, these have effectively become a form of feedback to hotel managers about how they are perceived by customers. In some cases, it is a two-way communication between the consumer and the hotel or other accommodation establishment. In other words, businesses can (and do) take action after receiving customers' online reviews. A Dutch hotelier noted that, when doing so, it is primarily to respond to the consumer who has left a review – either by thanking him/her or by addressing an issue that may have been raised (Consumentenbond, 2013). This action is important in a strictly business sense as it demonstrates a hotel's willingness to address customers' feedback and maintain a good reputation, especially as the latter is certain to affect future revenue.

Finally, the importance of online reviews to businesses can be underlined by the fact that these are used increasingly for staff feedback. The TripAdvisor survey (2013) reveals that, after having received a positive review, over two thirds of businesses have responded (either online or privately) and over half have congratulated or rewarded the staff. On the other hand, when a negative review is received, nearly 80% of businesses have responded to a negative review either online (65%) or privately (43%). Over 60% are reported to have addressed the contents of the negative review with their staff. A further 45% are cited to have invested in staff training as a result of the negative review while 41% have gone as far as reviewing and/or changing their business operations.

2.3   Trustworthiness of online reviews

2.3.1 Concerns relating to consumer reviews

Although the practice of misleading and/or fake consumer reviews is not new, the **growing awareness of internet users of the abuses by some professionals** has been reported to have caused a significant loss of confidence (Elvinger, Hoss & Prussen, 2013). While businesses generally want to hear from their guests and often invite them to share their feedback, it has become known that some have enticed customers to write positive reviews online by offering discounts or other similar perks. A study by Consumer Focus (2013) reveals that consumers value online feedback because they perceive it as impartial or, in other words, written by customers with no hidden agenda or vested interest in promoting a particular good or service. However, if hotel customers were indeed incentivised to give a positive review, the **assumption of impartiality would be false** and in fact detrimental to a consumer seeking an independent and honest opinion. Thus, what looks like a genuine user review is in fact camouflaged advertising. In addition to presenting a conflict of interest, this practice is especially problematic due to the trust that consumers tend to put in online reviews. In addition, if fed by a "flooding" of positive reviews, the practice results in a snowball effect which distorts the market by providing imperfect information. The practice of removing negative reviews of businesses in return for payment or not providing businesses with an adequate opportunity to respond to unfair criticism has the same effect.

Hence, while consumers tend to be generally positive about the usefulness of online feedback, they do have some concerns about its validity, the strongest of which is the possible existence of misleading and/or fake reviews. Testntrust, a French website for product reviews, has pointed to recent studies which reveal the growing suspicion on the part of consumers with regard to the quality and trustfulness of online information. In particular, the studies indicate that consumers have strong reservations regarding the reliability of "consumer reviews" posted on the websites of businesses. According to the 4th barometer of Testntrust, 83% of internet users believe that there are fake reviews among the consumer reviews posted online. In addition, despite the fact the majority of French consumers read online reviews and rate them as "useful" or "very useful", two thirds of them believe that some of the consumer reviews are fake (Testntrust, 2012). This is a worrying trend, given than 88% of web users are said to be influenced by the opinions of others (Médiamétrie, 2011).

A survey by Lightspeed Research in the UK points to similar trends and statistics. It reveals that, when researching products online, consumers find the opinions of other consumers most trustworthy, with 64% saying that they trust product reviews from other users. Over half of the respondents also cited reviews from Which? (a UK

consumer association)", professional reviewers as well as information from friends, family and colleagues as trustworthy. Thus, it appears that **consumers put their trust in what they perceive as impartial sources**. Interestingly, however, only 22% said they trust reviews from friends on social network sites. Not surprisingly, reviews on company websites were cited as trustworthy by only 17% of respondents, which indicates that consumers do not generally perceive these sources as independent and/or impartial.

2.3.2 Consumer reviews are still trusted

Despite the above concerns and the fact that in recent years the media has reported on situations where reviews are fake, **consumers still trust user-generated content *more* than any other advertisements or marketing campaigns**. For example, according to a recent report by the Polish Office of Competition and Consumer Protection, 70% of consumers believe in information that can be found online and 78% agreed that information found online is crucial while purchasing goods or services online (UOKIK, 2012).

Similarly, in Germany, a study examining consumer attitudes to online feedback reported that consumers are generally positive in their perception of online reviews – 86% of respondents stated that reviews are "credible" or "very credible" (Conrady, 2014). The study found that consumers are aware of the advantages and disadvantages of such information but are generally **confident in their own ability to make a balanced and informed decision** on how to use the feedback.

It is perhaps this confidence (and the preference for online reviews compared to alternative sources of information) which is reflected in the fact that travel and review websites are considered the most trusted and useful sources of information when researching and planning trips. This view is similar to the findings of the Local Consumer Review Survey 2013 which reveals that consumers tend to trust online content, with 8 out of 10 stating that they "trust online reviews as much as personal recommendations" (LCRS, 2013) and is consistent with the findings of the survey by Lightspeed Research, as discussed earlier.

While consumers recognise that there are misleading and/or fake reviews online, it appears that they have some confidence (rightly or wrongly) in their ability to spot them. Some particular markers include a tendency towards **extremes and the influence of unrealistic or differing expectations**. As regards the tendency towards extremes, consumers generally believe that a particularly good or a particularly bad experience is a key motivator in reviewing a product or service. This is also acknowledged by NBER with the caveat that an extreme opinion does not always indicate that the review is fake (NBER, 2012). Overall, the exclusive documentation of extremes would undoubtedly affect both the opinion of consumers reading the review and the reputation of the establishment (e.g. hotel). This is especially true if people are inclined to share their bad experiences as the review is likely to have a negative impact on the business/establishment.

Research also shows that consumers are generally aware of reviews that may be motivated by customers who are too demanding and have given exceptionally low scores due to minor issues (Consumer Focus, 2013). In these cases, consumers tend to read between the lines in order to gain a more accurate idea of the establishment/service. There are other techniques utilised by consumers in identifying and minimising the influence of fake reviews. For instance, they tend to be cautious about reviews which contain suggestions or recommendations to use a certain product or service as these are likely to be motivated by vested interests. Reviews posted by

parents, and particularly mothers, tend to enjoy higher levels of trust, likely due to perceptions of parents as being trustworthy. Some consumers even try to assess the **personality of the reviewer** (e.g. from their writing style, nature and content of comment, etc.) when deciding on the usefulness of their respective online feedback.

However, the techniques utilised by consumers are not fool-proof and **the influence of negative reviews** (whether genuine or fake) should not be underestimated. According to the survey by Lightspeed Research, almost 70% of consumers state that between one and three bad reviews are sufficient to deter them from purchasing a good or service (Lighspeed Research, 2011). Interestingly, consumers' tolerance of bad reviews seems to vary depending on age group. The survey reveals that the younger the audience, the less likely it is to be deterred by bad reviews. Only 10% of consumers aged 18-24 said they would be dissuaded by a bad review, while the figure increases to 33% for consumers aged 55-64. However, it must be noted that context is important when deciding whether or not to trust a negative review. For example, three negative reviews, when considered against a much higher number of positive reviews, represent the opinion of a minority and are thus likely to be insufficient in dissuading a consumer from purchasing a good/service. In general, consumers are likely to look to average scores when making purchase decisions.

2.3.3 Other aspects impacting on trust

Three main factors impact on the extent to which consumers trust hotel reviews. These factors are:

- **The review platform operator**: where this includes the extent to which the website operator collates verified reviews, edits or modifies reviews, etc. The extent to which consumers use and are familiar with the review platform also matters, i.e. a well-known and easily recognised platform (or brand) is more likely to be trusted.

- **The reviewer**: The extent to which a consumer feels an affinity to the viewpoint of the reviewer and reflected in the number of review websites which allow reviews to be sorted by "type of traveller" (recognising that aggregate reviews may sometimes be unintentionally misleading).

- **The hotel operator**: The extent to which hotel operators have an influence over online reviews (whether in terms of ability to respond to reviews or generate positive reviews themselves).

The first factor relates to the **policies which are put in place by review website** operators in terms of the extent to which they collate and publish verified reviews, the extent to which they modify reviews (sometimes to give a wrong impression; see Section 4.4.2) and the extent to which there is a community feel on the specific review platform (as noted earlier, some websites have tried to enhance this aspect by partnering with, or embedding, social networking media within their websites). At present, very few review websites publish only verified reviews, although some publish both verified and unverified reviews. If more review website operators are able to verify reviews before these are published, it is likely that consumer trust would be impacted positively. Brand and a positive website experience are also important factors. PhocusWright (2011) notes that, when deciding which websites to visit during the travel shopping, "best prices or offers" price was consistently the key consideration for European consumers across all markets except in the UK, France and Germany, where prior positive experience with the website is the most important criterion for online travellers. In France, trust in the brand was indeed a more important factor than price for French online travellers.

Consumers also pay attention to the **identity of the reviewer** in deciding whether the review is likely to be trustworthy. As noted earlier, the personal and social identity of the reviewer is considered as a deciding factor in assessing their expectations and thus the credibility or usefulness of the review (Consumer Focus, 2012). Other aspects taken into account when reading online feedback are the **age, culture and geographical location** of the reviewer. Consumers acknowledge that age by itself may be an important factor accounting for the differences in online feedback between younger and older reviewers. It appears that younger respondents are more likely to consider recommendations from friends, colleagues or relatives as important. They are also the most likely to mention social media sites and the oldest are the most likely to mention tourism offices/travel agencies (TNS, 2013).

The **extent to which hotel operators have an influence over online reviews** (whether in terms of ability to respond to reviews or generate positive reviews themselves) is also likely to impact on the extent to which consumers would find the reviews on a given platform trustworthy. In this context, the survey "European Hotelier Pulse-Check" reveals that around 60% of European hoteliers indicated that they spend between one to three hours reading and responding to online travel reviews about their hotel, while 35% spend less than half an hour. These figures clearly show the increasingly active role being taken by hoteliers in trying to actively influence hotel reviews (Travel Daily News, 2013). Such an active role is not surprising when the potential impact of negative reviews is taken into account. A study published in the Journal of Economic Psychology (Coker, 2012) suggests that the order in which customer reviews appear has an impact on the consumer's final decision. Participants of the study showed more favour for the hotel when consumers read the positive reviews first, even when these were outdated and the newer ones were negative. The **halo effect** does not apply when a negative review is read first, i.e. customers' views can be swayed if further reviews are positive.

In understanding the role of online reviews in consumer decisions relating to hotels, it is important to consider the size and trends in the hotel booking market. In 2009, Italy, France and Spain accounted for around 50% of all nights spent in hotels and campsites in the EU. With the addition of Germany and the UK, these five countries accounted for 75% of all nights spent in hotels (Eurostat). More recent data (as shown in the Table below) does not show significant changes in these figures. Placed against the information provided by hoteliers, it is not entirely surprising that Italy has the highest number of hotelier respondents (76%) who regularly monitor what people are saying about their hotels on online sites, followed by the UK (70%).

Table 2-3: Nights spent at tourist accommodation establishments, June 2013 (thousand nights)						
	June 2013		June 2012		2013/2012 change (in%)	
	Tourist accommodation	Hotels and similar	Tourist accommodation	Hotels and similar	Tourist accommodation	Hotels and similar
EU-28	*271,398*	*178,748*	*265,541*	*169,802*	*2.2*	*5.3*
BE	2,501	1,576	2,540	1,591	-1.5	-0.9
BG	3,466	3,248	3,123	2,933	11.0	10.7
CZ	3,317	2,532	3,528	2,585	-6.0	-2.1
DK	3,098	*1,309*	*3,077*	1,289	0.7	1.6
DE	34,071	23,657	34,644	23,482	-1.7	0.7
EE	599	478	581	463	3.1	3.2
IE	:	:	:	:	:	:
EL	:	11,608	11,829	*9,739*	:	19.2
ES	40,373	30,764	39,647	30,313	1.8	1.5
FR	37,345	19,722	36,788	19,710	1.5	0.1
HR	6,432	2,975	6,366	3,070	1.0	-3.1
IT	41,057	26,726	44,457	28,326	-7.6	-5.6
CY	1,881	1,878	1,958	1,955	-3.9	-3.9
LV	397	301	371	284	6.9	6.1
LT	581	341	558	324	4.1	5.3
LU	:	:	:	:	:	:
HU	2,381	1,719	2,307	1,618	3.2	6.2
MT	879	855	799	782	10.0	9.4
NL	9,747	3,429	8,538	3,230	:	6.2
AT	7,880	6,200	8,276	6,412	-4.8	-3.3
PL	6,129	3,080	5,823	2,670	5.3	15.4
PT	4,867	4,407	4,695	4,056	3.7	8.6
RO	2,059	1,801	1,985	1,740	3.8	3.5
SI	863	569	883	575	-2.2	-1.0
SK	1,014	679	977	646	3.8	5.0
FI	2,157	1,553	2,130	1,570	1.3	-1.1
SE	5,072	2,707	5,113	2,598	-0.8	4.2
UK	31,455	17,105	31,195	15,188	0.8	12.6
LI	10	9	11	9	-9.6	6.0
Source: Eurostat (online data code: tour_occ_nim)						

2.4   Trends in online hotel reviews

This section examines whether the trend for using online reviews in hotel bookings is increasing or decreasing, taking account of the level of trust by consumers and the importance they place on these reviews. Based on the analysis in the previous sections, it can be deduced that trends in online hotel reviews will be impacted by various factors, including: growth in the popularity and use of the Internet, uptake and accessibility of mobile devices and apps, developments in the travel industry (refinements in business models and website layouts), consumer engagement (e.g. social media developments), etc.

Changes in online research and purchase patterns have increased the importance and relevance of consumer reviews. According to the Consumer Scoreboard (EC, 2013d), 45% of European consumers made at least one online purchase in 2012. In comparative terms, Europeans are presently buying 50% more items online compared with 2010 and the number of shoppers has increased by 12% over the last two years. **Holidays are also one of the top five products most researched online** and over half of all online shoppers bought travel and holiday accommodation online in 2012 (EC, 2013d) Comparatively, online shoppers are now spending over 20 hours a week online, an increase of over 40% compared with 2010 (Mediascope, 2013). There is, therefore, a clear increase in the number of consumers who are visiting review websites today compared to recent previous years. Given the development of e-commerce and online booking websites (and, indeed, the growth of the online travel market), this trend can be expected to grow further, particularly as businesses take a keener interest in developments online and in reviews. Phocuswright (2011) estimates that more than three quarters of hotel inventory is still booked offline and EC (2013d) notes that the proportion of internet shoppers is expected to have met or exceeded 50% by 2015. Against this background, it can be clearly appreciated that online reviews will steadily increase in popularity as a resource of information for consumers purchasing goods or services online, especially as a growing number of businesses are increasingly relying on these reviews to promote their products/services.

In a 2012 survey, PhoCusWright studied travellers who selected at least one leisure travel destination independently in the past twelve months. They found that there had been an increase in the number of travellers in the US, France, Germany and UK who had visited a travel review website when choosing their last leisure destination in 2011 compared to 2010. More specifically, 21% of both French and German travellers visited a travel review website in 2011, compared to 13% and 14%, respectively, in 2010 (PhoCusWright, 2012). This trend is unlikely to decrease in the coming years.

In addition to research and purchasing patterns of consumers, the popularity and use of the Internet as a source of information and reference for travel planning continues to increase every year. It is likely that this popularity will increase in the coming years, along with the popularity of online reviews. The relevance of social networking sites cannot be understated if it is borne in mind that, fundamentally, more than half of Europeans (56%) still consider recommendations from friends, relatives and colleagues as very important when making travel plans (TNS, 2013). Embedding social networking sites within review websites will result in consumers becoming even more reliant on these sources as a means of finding out the experiences of friends and family at various hotels.

It is fair to say that consumers of all age groups and backgrounds are becoming more comfortable with using the internet for a variety of purposes, including making purchases and leaving feedback. As noted in the report "In my honest opinion", consumers are no longer passive receivers of goods and services (Consumer Focus, 2012). Instead, they now have the power to shift traditional seller-buyer relationships by communicating publicly about their experiences by virtue of a means which makes their feedback instantly available to millions of other consumers. It is likely that, with technological developments making it easier for consumers to access the internet, this trend will continue to grow in the future. Therefore, we can expect to see both an increased amount of online reviews and increased reliance on them.

The growing importance of review websites (and price comparison sites) can also be seen in the acquisition of small travel search businesses by larger ones. For example, in 2013, Expedia acquired the hotel reviews website Trivago, while the Priceline Group acquired Kayak. It is generally accepted that consumer reviews increase the audience of the website and, as such, it is unlikely that the importance of online reviews will slow in the coming years, particularly as businesses become more experienced and savvy in getting consumers to provide these.

2.5   Summary

Statistics also show that there has been a rapid increase in the uptake and use of online reviews in the hotels and tourism sector. A study by Consumer Focus (2013) reveals that consumers value online feedback because they perceive it as impartial or, in other words, written by customers with no hidden agenda or vested interest in promoting a particular good or service. An industry survey (Tripadvisor, 2013) also reveals that review websites are considered the most trusted and useful sources of information when researching and planning trips and, indeed, the vast majority of travellers (93%) indicate that other people's evaluations on travel review websites influence their travel plans. This is confirmed by the findings of the Local Consumer Review Survey 2013 (LCRS, 2013 cited in the ECC-Net 2013 report) which shows that consumers tend to trust online content, with 8 out of 10 stating that they *trust online reviews as much as personal recommendations"*. In general, recommendations from friends, colleagues or relatives and information gathered from internet websites are commonly cited as the two most important factors when making decisions about travel plans.

3. Typology of hotel review websites

3.1 Overview of typology approaches

3.1.1 Possible approaches

This section provides a typology of the different types of websites that provide the possibility for consumers to post and read hotel reviews.

Broadly speaking, there are a number of different website platforms which are available to consumers to post and read hotel reviews. There are also a number of ways in which these websites could be categorised, where this could be based on the:

- **Source of review**: Using this approach, hotel review websites could be categorised according to how they source/obtain the reviews which are then made available for consumers online. This approach would differentiate between '*primary data*' websites that source/obtain the reviews directly from consumers (e.g. TripAdvisor), '*secondary data*' websites which source/obtain reviews from those already gathered by another website (e.g. Tingo using TripAdvisor rankings and reviews) and '*mixed data*' websites which make use of an aggregation of reviews from more than one website. For the latter category, some of these 'aggregators' allow for consumers to post reviews directly on their website (e.g. Trivago which uses a mixture of reviews from Hotels.com, Expedia.com, Holidaycheck, etc.), while others do not allow consumers to post reviews directly (e.g. Kayak and Skyscanner).

- **Popularity of the website**: Using this approach, hotel review websites could be categorised according to the number of consumers who are engaged with and/or use them. Based on traffic rankings data for instance, websites could be categorised as having '*low*', '*medium*' or '*high*' popularity depending on the extent of engagement. This approach, however, raises some practical questions as regards how popularity is measured. For websites which focus on hotel reviews only, popularity will vary depending on what is measured: number of unique daily visitors to the website; a three-month average of unique visitors; number of pages views on a given website per visitor; average time spent; number of passive users; number of active users; etc. For websites which provide reviews for more than hotels (e.g. covering restaurants, cars, etc. e.g. Yelp), it is not possible in many cases to determine what proportion of the traffic (or other parameters) relates strictly to the hotel reviews and what proportion relate to other products.

- **Website Content and Activity**: Using this approach, hotel review websites could be categorised based on their content (i.e. the type of information which can be found on them). This approach takes into account the fact that website content and activity determines the nature and volume of traffic and the attitude and engagement of visitors on a given website. Using this approach, websites could be categorised in any number of ways, for instance, to reflect those focussing on '*hotel reviews only*', '*hotel bookings*', '*travel*', etc.

- **Purpose of the website**: Using this approach, hotel review websites could be categorised into: (a) social media websites (e.g. Facebook, Google+) run for social communication purposes; (b) commercial websites owned by business entities and run for commercial purposes (e.g. TripAdvisor); (c) websites and blogs owned by individuals or a very small group; (d) online forums typically set up to serve a social/civil purpose; etc.

▪ **Location of visitors/reviews**: Using this approach, hotel review websites could be categorised based on the extent to which they are present in and/or attract visitors from (a) across the EU (e.g. websites with translations in many EU languages); (b) from a particular region within Europe (e.g. Nordic region); (c) from the country in which they are based; and (d) from international destinations (such as US, Asia, etc.). Unfortunately, there is often insufficient information online to allow for this approach to categorisation to be undertaken robustly.

3.1.2 Typology selected for this study

For the purposes of this study, hotel review websites will be divided as set out in Table 3-1 below. This typology incorporates aspects relating to "*Website Content and Activity*" as well as the "*Popularity of the website*".

Table 3-1: Typology by website content and activity			
Category	**Descriptor**	**Nature of content or information which can be found on website**	**Activities that can be undertaken on website**
Category 1	Hotel review websites	Hotel reviews information Hotel bookings information (no purchase possible; click-through for purchase possible)	Post, discuss and/or read hotel reviews Compare, review (but no purchase of) hotel bookings
Category 2	Hotel bookings and reviews websites	Hotel bookings (purchase of hotel rooms) Hotel reviews information	Post, discuss and/or read hotel reviews Compare, review and/or purchase hotel bookings
Category 3	Travel agency or travel website	Travel information (e.g. hotels, flights, train schedules, vehicle hire, etc.) Hotel reviews information	Post, discuss and/or read hotel reviews Compare, review and/or purchase hotel bookings Compare, review and/or purchase travel-related services and products
Category 4	Websites for travel and other products	Information on other products and services (e.g. electronics, news, cars, fashion, etc.), as well as travel Hotel reviews information	Post, discuss and/or read hotel reviews Compare, review and/or purchase hotel bookings Compare, review and/or purchase travel and non-travel related services and products
Category 5	Social networking websites	Social networking platform with hotel reviews information	Post, discuss and/or read hotel reviews
Category 6	Blogs or online forums	Blogs and online forums with hotel reviews information	Post, discuss and/or read hotel reviews Compare, review (but no purchase of) hotel bookings

It is important to note that the diversity of hotel review websites sometimes makes it difficult to slot each hotel review website neatly into a single category. The intention of this typology is, therefore, not to provide the means for legal classification but to offer some categorisation which can be used to articulate the differences between various websites within the context of achieving the objectives of this study.

The sections below provide a detailed discussion of the categories of websites as listed in Table 3-1.

3.2   Category 1: Hotel review websites

This category covers websites which allow consumers to post hotel reviews but do not sell hotel reservations (even if they offer information on prices and availability). For these websites, stimulating user-generated content is the core purpose and they are not transactional by nature. In other words, they do not sell the products or services (i.e. hotel bookings) that consumers comment on; rather, they provide a 'hotel comparison' service. Trivago, Zoover and HolidayCheck are three of the largest players on the EU market in this category. Beyond these, there are players that are particularly popular in specific countries such as Holidays-Uncovered, HolidayWatchDog, HotelsCombined, etc.

In terms of business models, for many of the websites in this category, stimulating and monetising the user-generated content is the main business and/or source of revenue. In the main, they achieve this by attracting more online traffic which can be monetised either by payments for click-through to other websites (i.e. charging a cost per click (CPC) price for traffic redirection) and/or selling advertising space. In terms of *click-through* arrangements, the majority of these websites tend to offer information on room availability, rates in different hotels, information on amenities, etc. and offer a click-through service to other websites.

3.3   Category 2: Hotel bookings and reviews websites

This category covers websites that not only allow consumers to post hotels reviews but also sell mainly hotel reservations. Websites in this category (e.g. www.booking.com) differ from the *click-through service* in Category 1 in that the booking transaction can be completed on the same website. Review websites in this category typically have a primary purpose to sell hotel bookings. While some of these websites make the review feature part of their core offering, others provide links to or embed third-party review platforms into their own website. Booking.com is the largest player on the EU market in this category. There are a number of other well-known players on the EU market in this category and these are identified in the table below.

Table 3-2: Examples of hotel booking websites		
1	Booking.com	www.booking.com
2	Hotels.com	www.hotels.com
3	Hotwire	www.hotwire.com
4	Venere	www.venere.com
5	Laterooms.com	www.laterooms.com

Table 3-2: Examples of hotel booking websites		
6	Hrs.de	www.hrs.de
7	Hostelbookers.com	www.hostelbookers.com
8	HotelClub	www.hotelclub.com
9	Hotel.De	www.hotel.de
10	Agoda	www.agoda.com

In terms of business models, for the vast majority of websites in this category, direct sales of accommodation is the main source of revenue and the hotel reviews are effectively a market expansion/growth strategy. Depending on the intended strategy of the company and how it is implemented, it could further categorised as a 'product development' strategy (i.e. where the reviews are essentially a product/service extension aimed at existing and new customers), a 'market penetration' strategy (i.e. to encourage existing users to visit the website more often) or possibly as a 'diversification approach' (e.g. where the intention is to open up new markets and services as a result of incorporating reviews). Regardless, the aim is to retain existing customers (e.g. avoid loss of consumers to Category 1 websites) and attract more customers, where these can result in increased sales as well as web traffic which can be monetised and/or sold as advertising space).[1]

3.4   Category 3: Travel agency or travel websites

This category covers websites that provide a range of travel-related products and services (beyond hotel reviews) such as flight tickets, train tickets, car hire, package holidays, etc. and allow consumers to post hotel reviews. Websites in this category could fall into two broad sub-categories:

▪ **Travel websites** - which are similar to those in Category 1 (i.e. they do not sell hotel reservations on their website) except that they do not cover hotel reviews exclusively. Some comparison tool websites focussing on travel would fall under this sub-category e.g. www.travelsupermarket.com.

▪ **Online travel agencies** - which sell hotel reservations (and other travel-related products) on their website and the hotel booking transaction can be completed on the same website e.g. www.expedia.com.

Table 3-3: Examples of travel websites		
1	Trip Advisor	www.tripadvisor.com
2	Expedia	www.expedia.co.uk
3	Opodo	www.opodo.com
4	Orbitz	www.orbitz.com
5	Ebookers.com	www.ebookers.com
6	Lastminute.com	www.lastminute.com
7	Virtualtourist.com	www.virtualtourist.com/

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[1] Based on figures from the US, 63% of consumers are more likely to purchase from a website if it has product ratings and reviews. 96% of retailers also ranked customer ratings/reviews as an effective tactic at driving conversion (Reviews Tracker, 2013).

Table 3-3: Examples of travel websites		
8	Edreams	www.edreams.es
9	Cheap Tickets	www.cheaptickets.co.uk
10	Eurobookings	www.eurobookings.com

In terms of business models, for the vast majority of websites in this category, direct sales of accommodation and other travel-related products and services is the main source of revenue. While some of these websites make the review feature part of their core offering, others provide links to or embed third-party review platforms into their own website. Some online travel websites also simply adopt (presumably, for a fee) the reviews which belong primarily to other websites (e.g. TripAdvisor) and embed these within their website offering. This gives the advantage of providing the information (i.e. reviews) which consumers are interested in and avoids the hassle for such companies associated with providing review-related facilities and/or dealing with issues relating to misleading and/or fake reviews.

3.5 Category 4: Websites for travel and other products

This category covers websites that provide a range of products and services (beyond hotel reviews and travel-related products) such as electronics, clothing, cars, etc. and allow consumers to post reviews on hotels and these products. Yelp and Ciao are some of the most well-known players on the EU market in this category and there are also a number of other well-known players in various national markets (e.g. Atrapalo in Spain). Websites in this category cover a range of sub-categories, for instance:

- **review websites** that allow consumers to review any type of service or product (e.g. www.trustedreviews.com)

- **traders' websites** (e.g. ASDA travel, which sells accommodation and travel, although it is better known as a supermarket chain which sells food, clothing, toys, etc.)

- **newspapers and book websites** (e.g. Guardian travel, which reviews accommodation and travel but is better known as a newspaper operating in the media industry)

- **price comparison websites** (and aggregators) that gather information from different providers and compare information on hotels and other products

In terms of business models, for the vast majority of websites in this category, direct sales or reviews of a wide range of products is the main source of revenue. The hotel reviews are part of a market expansion strategy targeted at both new and existing customers (i.e. by providing additional products of possible interest and avoiding loss of such consumers to other websites which provide these products) and new customers. In the main, these companies gain additional revenue by attracting more online traffic which can be monetised either by direct sales of products, payments for click-through to other websites (i.e. charging a cost per click (CPC) price for traffic redirection) and/or selling advertising space. With regard to the latter, it is important to note that these websites will, by default, feature highly on website ranking indexes (e.g. Alexa) and search engines (such as Google) due to the fact that traffic is being driven by a wide range of products, regardless of whether actual sale of all or some products takes place or not.

3.6   Category 5: Social networking websites

This category covers the range of social networking websites of which the most popular are Facebook and Google+. On these social networking websites, consumers can read the views of family and friends and provide their own commentary or reviews. Compared with Category 1, it is more difficult for hoteliers and reputation agencies to influence or react to views expressed on these fora; although recent developments have seen an increase in the extent to which social media are involved in hotel reviews (See Section 2.2.3).

In terms of business models, social networking platforms were not originally or primarily intended for product reviews or feedback for consumers, although they can and have evolved into useful tools for consumer campaigns. They primarily provide opportunities for people to network and share information about themselves; in this sense, they are somewhat similar to, but different from, blogs or online forums which are mostly designed or intended to support a two-way communication process. For the vast majority of websites in this category, hotel reviews are not the key strategic intention or focus of the business. However, as described earlier in this report (Sections 2.2.3 and 2.2.4), social media are an increasingly important vehicle to communicate travel experiences, including reviews, and businesses are increasing their presence in social media.

In general, it is broadly accepted that social networks that provide their services without user fees generate revenue by selling advertising, particularly, behavioural or targeted advertising (i.e. the practice of tailoring advertisements to an individual's personal interests). By nature, social networks collect a lot of information on potential customers which advertisers are very interested in. It is also the case that targeted advertising is sold at a higher price than regular advertisements and is more successful than regular advertising as it creates a greater utility for consumers from more relevant advertisements and has more appeal to advertisers from increased conversion rates (Beales, 2010). It is, therefore, likely that social media will increase in terms of its importance to hotel operators as a means of increasing the visibility of their hotel to consumers.

Each business adjusts its strategy to adapt to the extent of consumer engagement occurring on their platform. Also, even within the same platform, different models may be operating at the same time. For instance, while some hotel booking and review websites embed comments and reviews from social media (e.g. Facebook, Google+) into their web content (relying on Facebook 'likes' and 'recommends', for example), other hotels maintain a Facebook page where they engage directly with consumers and receive reviews. There are also hotel-review related discussions which occur on individual Facebook pages and are an important source of information for some consumers in choosing hotels. Similarly, Google is becoming increasingly important in the hotel reviews market. As a search engine, it provides links to online reviews which influence (directly or indirectly) where the consumer makes final purchases. It also has Google Hotel Finder which is a meta-search (price comparison) tool which allows consumers to post reviews but does not sell accommodation.

3.7   Category 6: Blogs and online forum(s)

This category covers blogs (and similar websites) whose core purpose is to provide information and advice on relevant issues, as well as, allow for feedback and

discussion where consumers can post queries, discuss and share experiences. Websites captured under this category mainly serve as an area for consumers to exchange information and experiences. Examples of such websites include online forums for consumers to exchange information, such as the Holiday Watchdog Forum[2] and the Flyertalk forum focussing on hotel deals and luxury hotels[3]. It is worth noting that some of these online forums are attached to websites which may fall under some of the earlier categories.

In terms of business models, social sharing is the core purpose for these websites and they are generally not transactional (i.e. they do not sell the products or services (i.e. hotel bookings) that people post reviews on). There are also a wide range of online forums; while some of these are stand-alone or dedicated forums, others are part of bigger travel business, i.e. when a business provides online forums where consumers can discuss and review their experiences. In general, providing such forums creates an online community which can be of significant economic benefit to some companies. An example is the Thorn Tree Forum on the Lonely Planet website. In terms of blogs, there is a full range of blogs, either written by individuals or as part of an organised collective (e.g. www.hotelchatter.com). While some of these are written by individuals on a social, educational and/or not-for-profit basis, others actively receive revenue from businesses to review their products.

Table 3-4: Business models for selected hotel review websites
Lonely Planet LonelyPlanet is the largest travel guidebook publisher in the world. The company changed its name in 2009 to reflect its broad travel industry offering and the emphasis on digital products. As of 2010, it publishes about 500 titles in 8 languages, as well as TV programmes, a magazine, mobile phone applications and websites. The Lonely Planet website includes travel articles, destination and point-of-interest guides, hotel, hostel and accommodations listings as well as the ability to rate and review sites and restaurants. Consumers are also able to book hotels, flights, car rentals, adventure tours and sightseeing tours on the website. Lonely Planet's online community, the Thorn Tree, is used by over 600,000 travellers for tips and advice (See http://www.lonelyplanet.com/thorntree/index.jspa).

3.8   Prevalence of website types

Research undertaken for this study would suggest that, in terms of number of websites, Category 2 and 3 websites are the predominant type across the EU-28. The predominance of '*hotel bookings and reviews websites*' and '*travel agencies/travel websites'* perhaps highlights the trend over the last few years for websites which only sold hotel or travel-related products to integrate reviews directly within their offering (or to embed reviews from third-party sources) in order to remain competitive. It also highlights the challenges in operating a business model (such as for Category 1 websites) which relies mainly on online advertising and revenue from 'click-throughs', particularly in smaller countries or travel markets.

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[2] http://forum.holidaywatchdog.com/Spain-Costa-Del-Sol-Forum-M-17.html
[3] http://www.flyertalk.com/forum/hotel-deals-607/
http://www.flyertalk.com/forum/luxury-hotels-220/

Information obtained from consultation for this study confirms that, in general, review website operators obtain revenue mainly from:

- Pay-per-click (they receive a fee every time a consumer clicks on an offer);
- Pay-per-order (they receive a fee from the seller for concluded purchases);
- Charges for enhanced visibility (i.e. websites pay for more visibility when offers are being compared); and
- Subscription fees (where users pay a fee).

That said, research into business models operated by companies indicates that it is difficult to know the exact business model being run by companies, in terms of: how they make money; their relationships with partner companies; how/if they charge for advertising or click-through; their involvement in the orientation of search results and who is/are behind the websites/platforms. It is also the case that two companies in the same category can typically be found to be operating quite different business models. In practice, there appears to be more commonality in the business models operated by different companies, depending on where they are on the business cycle (i.e. new market entrant, a growing business, or a business consolidating its place on the market).

3.9   Summary of key findings

This Section provides a typology of websites for the purposes of this study. Based on the "website content and activity", hotel review websites have been categorised as follows:

- Category 1: Hotel review websites
- Category 2: Hotel bookings and reviews websites
- Category 3: Travel agency or travel website
- Category 4: Websites for travel and other products
- Category 5: Social networking websites
- Category 6: Blogs or online forums

In terms of number of websites, Category 2 and 3 websites are the predominant type across the EU-28.

4. Analysis of current practices on review websites

4.1 Introduction

This section summarises the results of an analysis of current practices in a sample of hotel review websites (i.e. a website checking exercise). In general, the aim of the website checking exercise was to establish the state of affairs in relation to the presentation of the review results (e.g. type and clarity of scoring criteria, etc.), the types of verification mechanisms in place for posting reviews and the manner in which review website operators deal with misleading and/or fake reviews (e.g. reviews policies, terms and conditions, complaints or dispute resolution tools, etc.).

Overall, 423 websites were analysed by the study team across the EU-28, as set out in Table 4-1 below. As can be deduced from the Table, while it was relatively straightforward to identify review websites for hotels in countries such as the UK, Spain and France, in some countries (e.g. Croatia, Romania, Luxembourg, Malta and Cyprus), it was more difficult to identify major national hotel review websites. It appears that consumers in these countries tend to rely on the major international review websites (e.g. TripAdvisor, Booking.com, etc.) as well as on review platforms based in the countries they intend to visit.

Table 4-1: Number of hotel review websites checked by country					
No.	**Country**	**No. of websites**	**No.**	**Country**	**No. of websites**
1	Austria	10	**15**	Italy	17
2	Belgium	14	**16**	Latvia	13
3	Bulgaria	13	**17**	Lithuania	20
4	Croatia	9	**18**	Luxembourg	5
5	Cyprus	2	**19**	Malta	5
6	Czech Republic	20	**20**	Netherlands	21
7	Denmark	21	**21**	Poland	19
8	Estonia	20	**22**	Portugal	13
9	Finland	13	**23**	Romania	9
10	France	20	**24**	Slovakia	20
11	Germany	18	**25**	Slovenia	12
12	Greece	17	**26**	Spain	20
13	Hungary	18	**27**	Sweden	20
14	Ireland	11	**28**	United Kingdom	23

A breakdown of the type of website by country and typology is presented in Figure 4-1. While this shows a clear presence of the various forms of review websites in each country, it also indicates that websites focussing on 'hotel reviews only' do not appear to operate in a number of countries, including Bulgaria, Croatia, Cyprus, Estonia, Slovenia, Latvia and Hungary. This is perhaps linked to the challenges in operating a business model which relies mainly on online advertising and revenue from 'click-throughs' in certain smaller countries or travel markets (as discussed in Section 3.2).
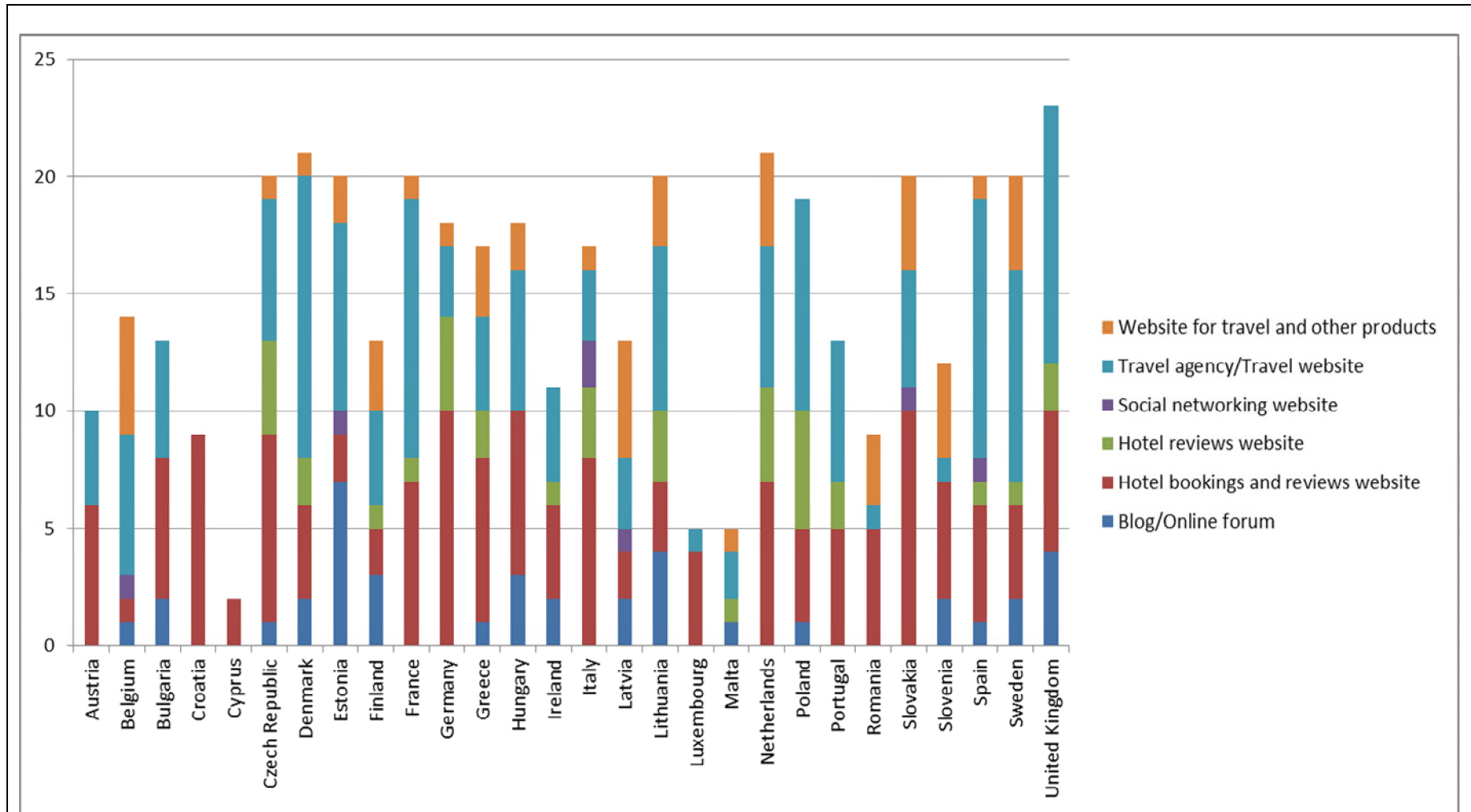
FIGURE 4-1: BREAKDOWN OF WEBSITES CHECKED BY COUNTRY AND TYPE OF WEBSITE

Table 4-2 below provides an overall summary of the websites checked across the EU-28 by typology. As can be seen from the Table, the predominant websites are '*hotel bookings and reviews websites*' and '*travel agencies/travel websites*'.

Table 4-2: Number of hotel review websites checked by typology			
Categ ory	Type of review website	Results (%)	Results (No.)
1	Hotel reviews website	9%	37
2	Hotel bookings and reviews website	34%	143
3	Travel agency/Travel website	35%	148
4	Website for travel and other products	11%	49
5	Social networking website	2%	7
6	Blog/Online forum	9%	39
	TOTAL	**~100%**	**423**

4.2   Presentation of hotel reviews

4.2.1 Types of reviews provided

A review of hotel review websites across the EU-28 shows that, for the vast majority of websites, a mixture of 'quantitative and qualitative' reviews is typically made available to consumers. The exact breakdown is provided in Table 4-3.

Table 4-3: What types of reviews are provided on the website?		
	Results (%)	**Results (No.)**
Qualitative reviews only	**27%**	**107**
Quantitative reviews only	**4%**	**18**
Quantitative and qualitative reviews	**69%**	**276**

In interpreting this table, it is important to remember that the vast majority of blogs/online forums are likely to include only qualitative criteria due to the nature of the reviews posted on them (i.e. primarily user comments and impressions).

However, this observation accounts for only around a third of the total number of review websites that provide only 'qualitative reviews' (there were 39 blogs/online fora in the website checking sample). It would, therefore, appear that a number of other types of review website operators provide only qualitative reviews.

4.2.2 Number of reviews and their relevance

An analysis of hotel review websites across the EU-28 shows that the vast majority (>75%) of them clearly indicate the total number of reviews on which a hotel rating is based (see **Figure 4-2**). This is not surprising as the more reviews a website has, the more content there is on the website and this increases consumer traffic and increases the attractiveness of the review website to other consumers and businesses (so-called network effect).

FIGURE 4-2: INDICATION OF THE TOTAL NUMBER OF REVIEWS
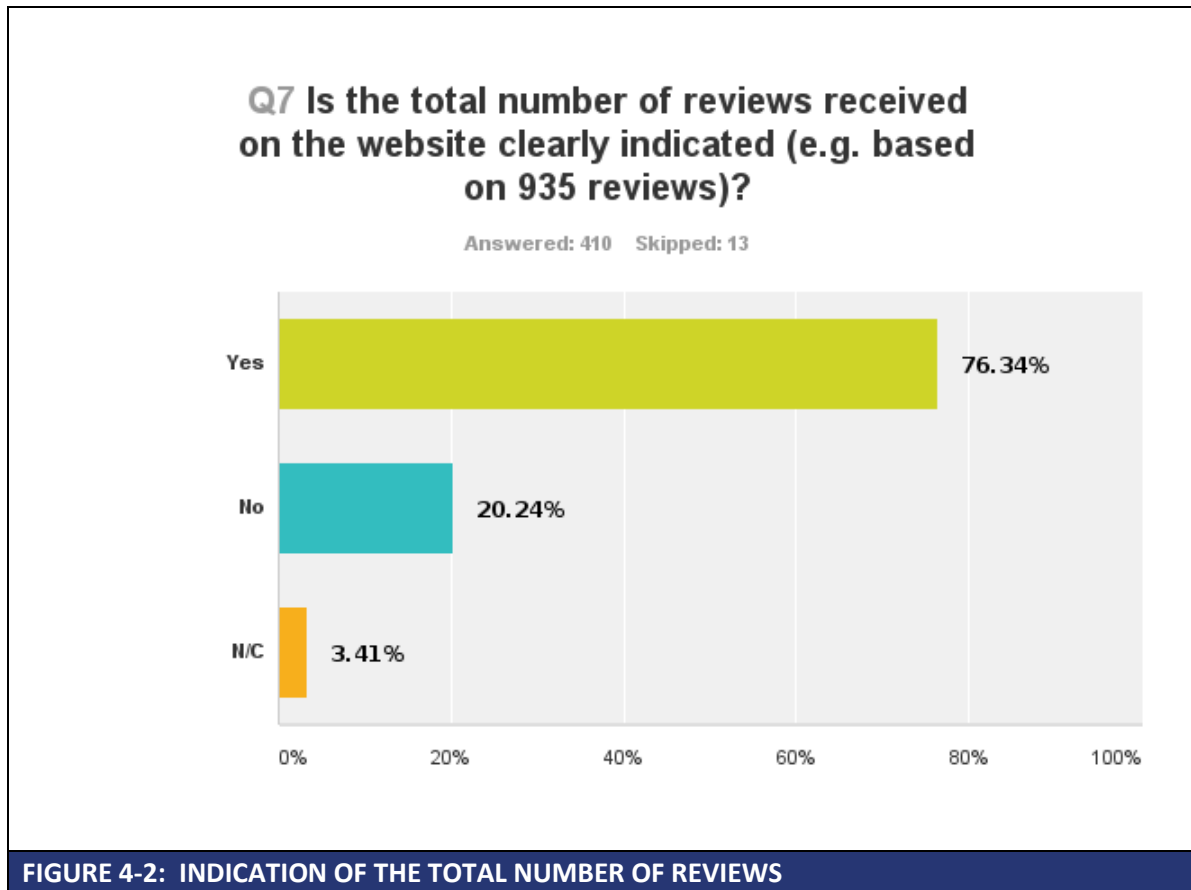
That said, a vast majority of these websites (~90%) did not limit the reviews to a fixed number of years (see **Figure 4-3**). In other words, reviews which are over three years old (and possibly, no longer relevant based on changes in staff, management or refurbishment/other construction activity) are still taken into consideration when arriving at the final hotel score/rating. Understandably, it is in the best interest of website operators to indicate a high number of reviews as this implies a greater ability to make an informed choice and thus attracts consumers to the website.   However, it appears that website operators are less concerned with emphasising the most recent reviews which are more likely to accurately reflect the current state of affairs at the particular hotel. It is counter-intuitive that 90% of the websites with quantitative criteria included "staff/service" as a key criteria to rank, when this particular aspect of the hotel experience is in fact subject to the most frequent change, thereby invalidating many old reviews (staff turnover is estimated at 50% in the hospitality sector; Deloitte, 2010).

FIGURE 4-3: INDICATION OF THE TIME RANGE OF REVIEWS
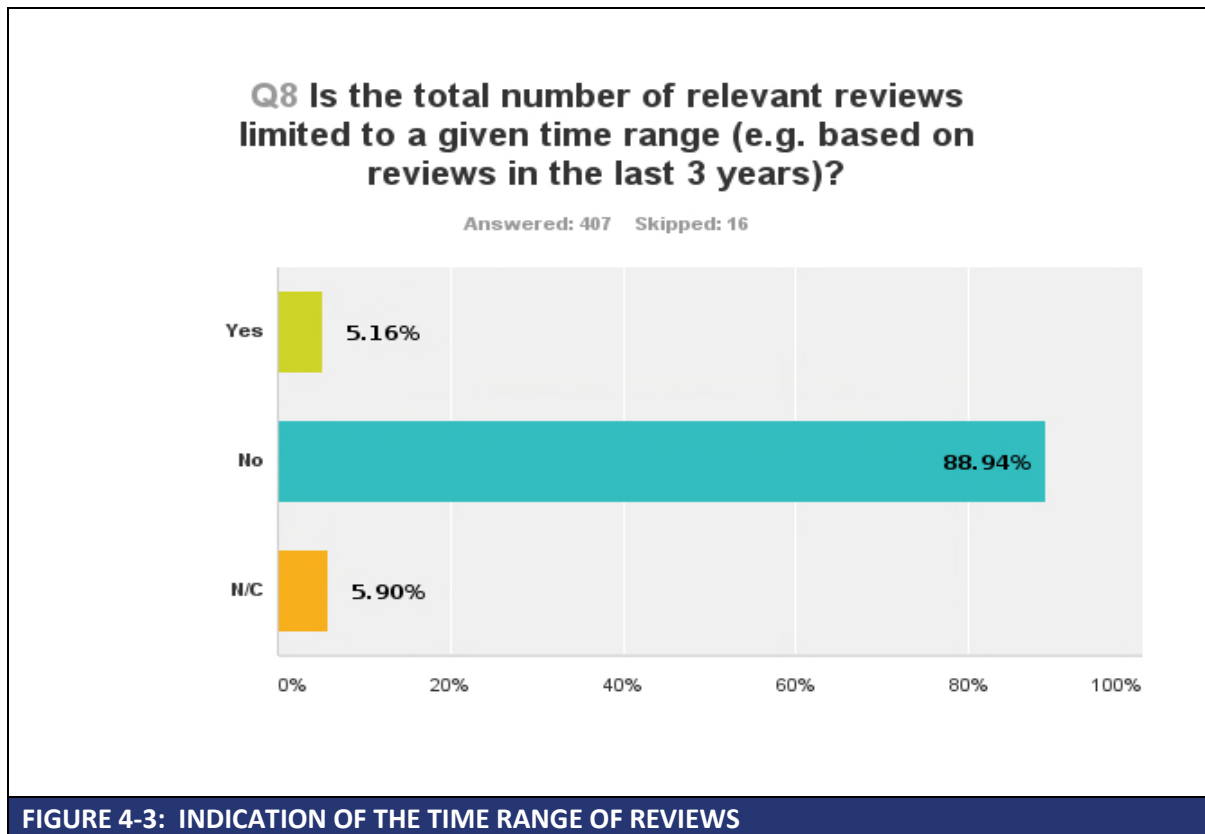
4.2.3 Criteria for sorting reviews

A review of hotel review websites across the EU-28 shows that, for the vast majority (>80%) of review websites, the default setting is to provide reviews by date (typically with the most recent at the top) (see **Figure 4-4**). Most websites also allow consumers to sort reviews by date, such that it is clear which the latest and oldest reviews are. This appears to be the most popular sorting possibility provided by 70% of review website operators, followed by sorting according to the 'highest score' (~35%) or 'type of traveller' (~30%) (see **Figure 4-5**). The popularity of sorting by the 'type of traveller' provides supporting evidence to the theory that consumers typically prefer to read reviews provided by people to whom they think they can relate (as discussed in Section 2).

For review websites providing quantitative reviews, the vast majority of websites (70%) provided between four and seven quantitative criteria to assist consumers in evaluating a hotel, while around 5% of websites provided over 10 criteria (see **Figure 4-6**). The most common ranking criteria for quantitative reviews were: 'staff/service', 'cleanliness', 'location', 'facilities' and 'value for money' (see **Figure 4-7**).

In discussing criteria for sorting reviews, it is important to highlight the increasing importance of 'verified reviews' in tackling misleading and/or fake reviews and/or increasing consumer trust. At their most basic, they indicate that the review platform has taken some steps to cross-check the identity of the reviewer and/or that the reviewer actually purchased the product being reviewed. During the website checking, it was noted that only 20% of websites stated clearly that "only verified reviews will be published" and only 2% of websites allow for sorting of reviews by "verified reviews".
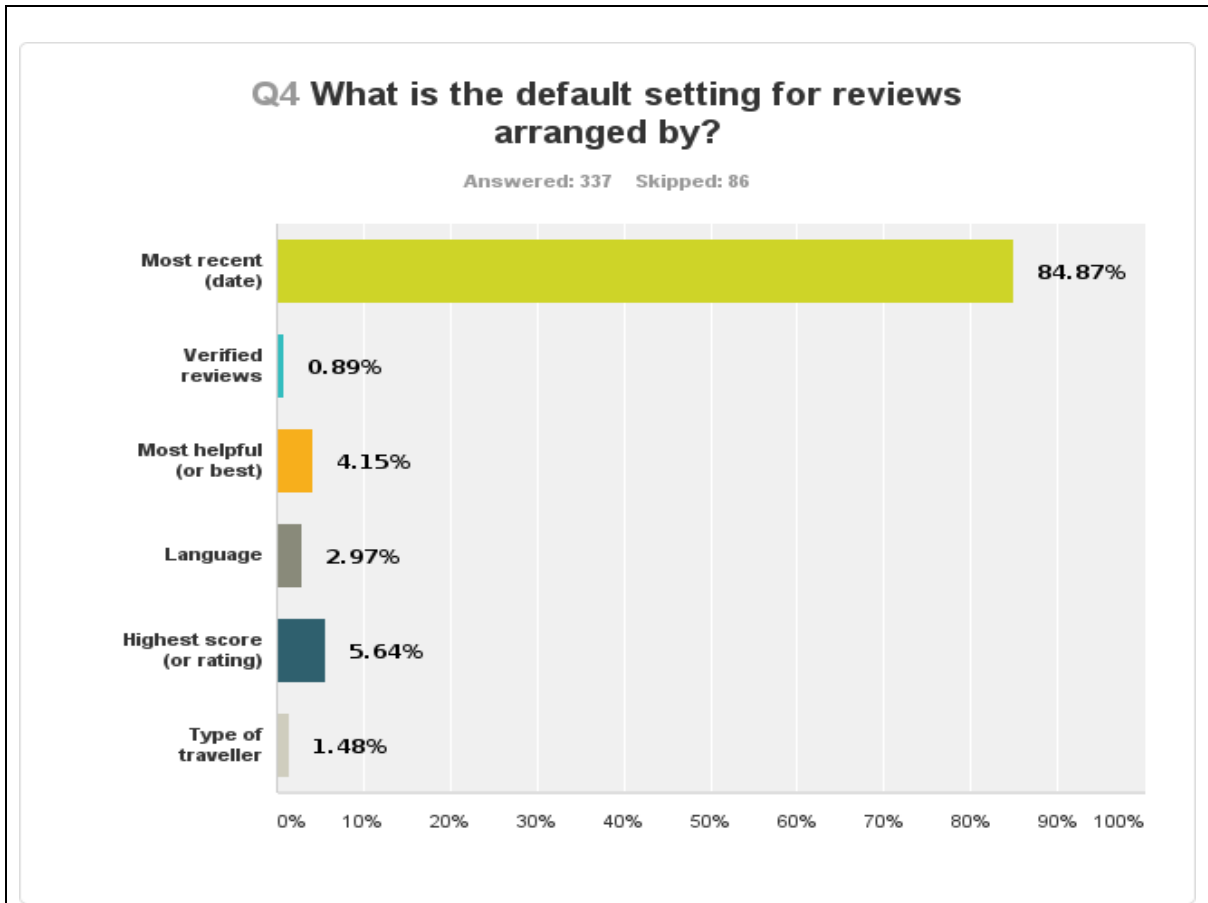
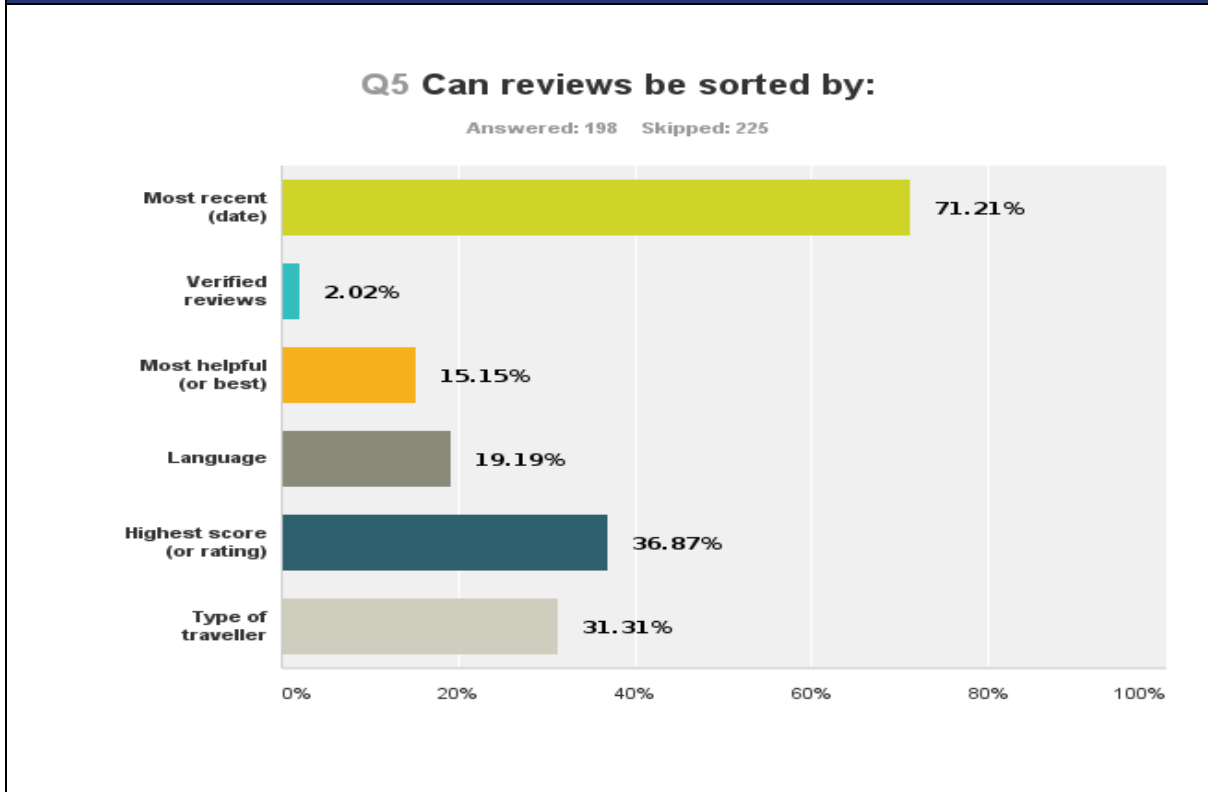**FIGURE 4-4: DEFAULT SETTING OF REVIEW WEBSITES**

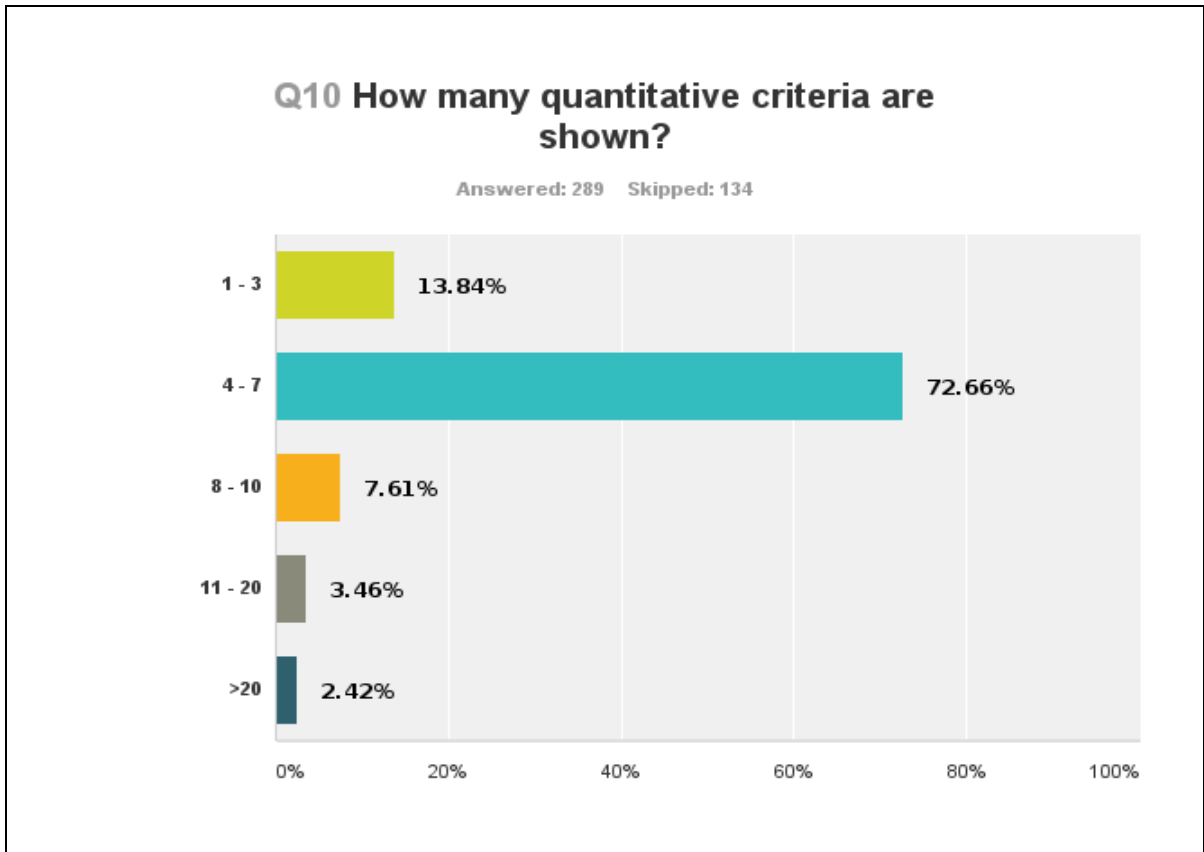**FIGURE 4-5: WAYS IN WHICH REVIEW WEBSITES CAN BE SORTED**

Q10 How many quantitative criteria are shown?

Answered: 289   Skipped: 134

Category	Percentage
1 - 3	13.84%
4 - 7	72.66%
8 - 10	7.61%
11 - 20	3.46%
>20	2.42%

FIGURE 4-6: NUMBER OF QUANTITATIVE CRITERIA SHOWN

Q11 Tick which of the following are amongst the criteria

Answered: 273   Skipped: 150

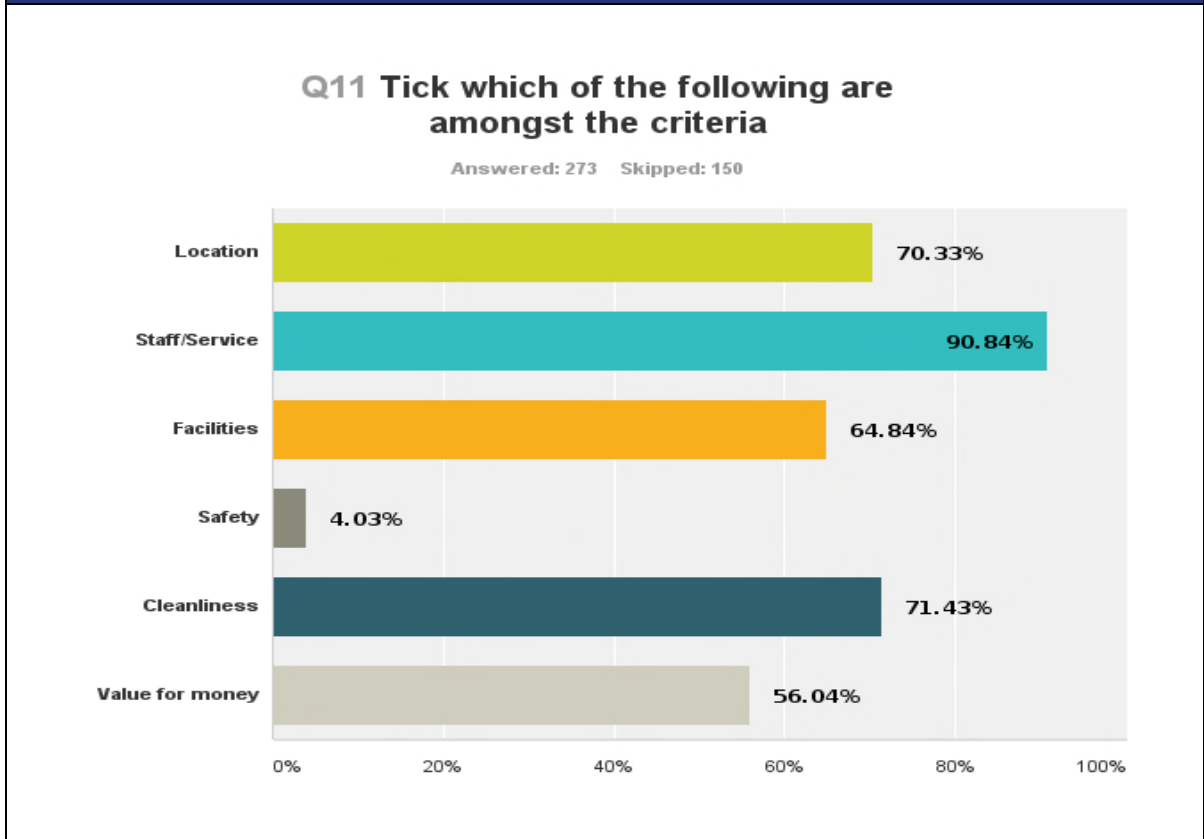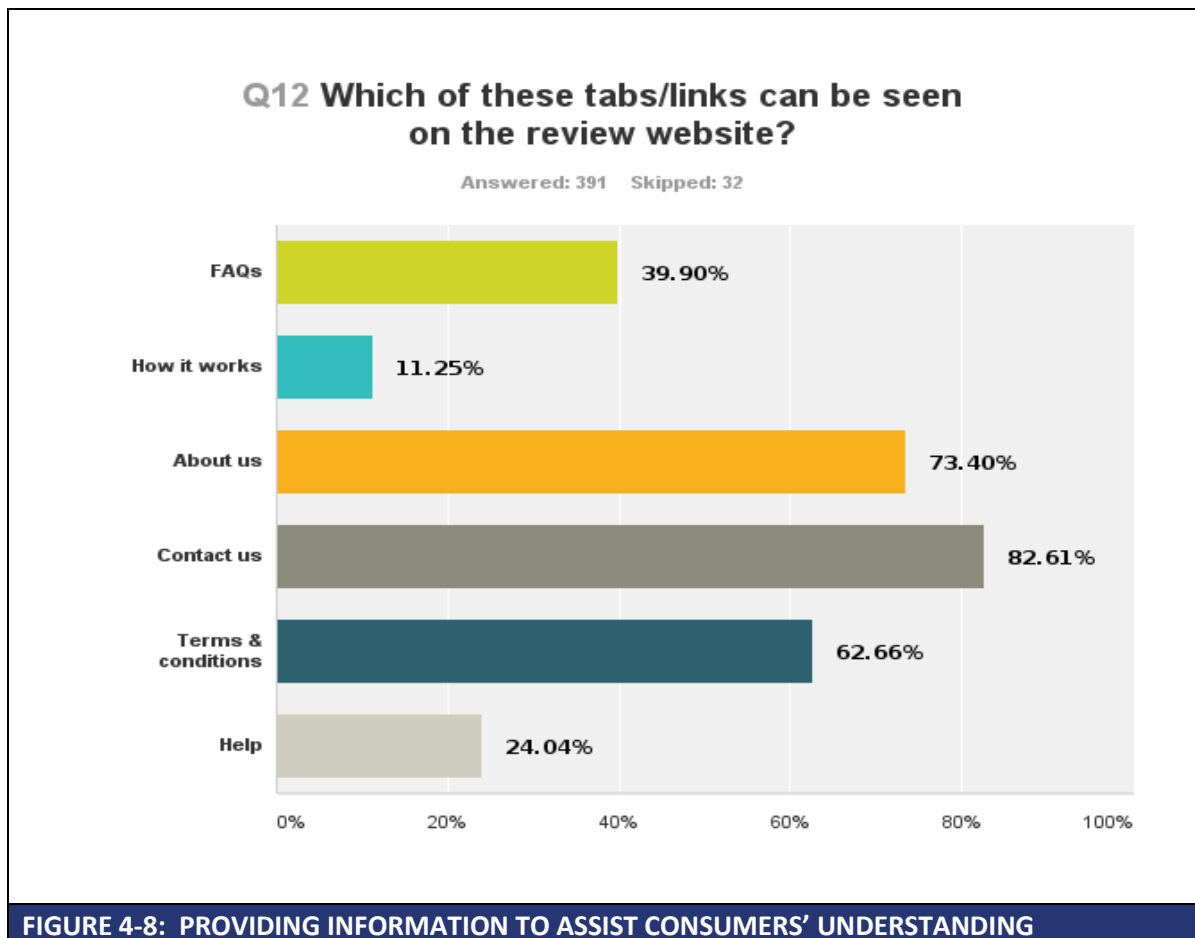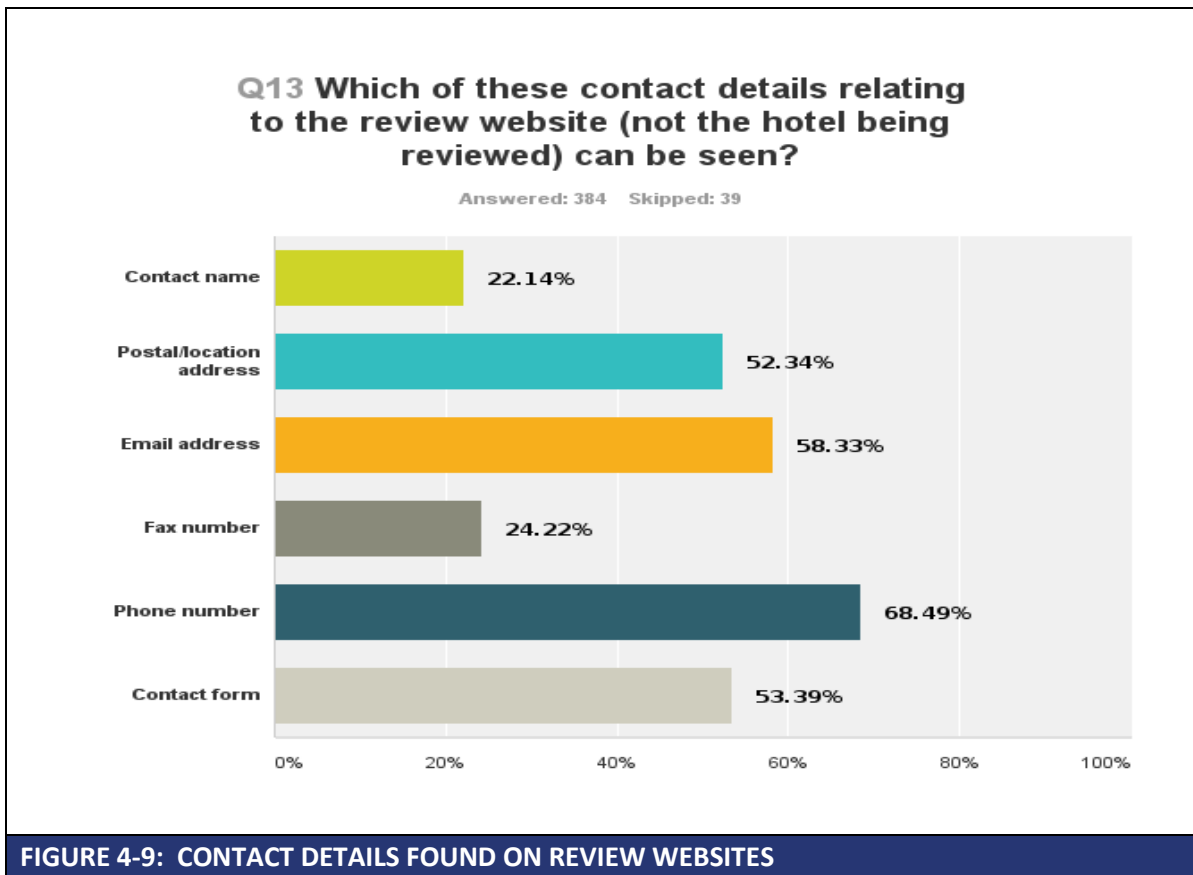| Category	Percentage
Location	70.33%
Staff/Service	90.84%
Facilities	64.84%
Safety	4.03%
Cleanliness	71.43%
Value for money	56.04%

FIGURE 4-7: MOST IMPORTANT QUANTITATIVE CRITERIA SHOWN

4.2.4 Clarity of contact details

The manner in which a review website is set out has implications for the extent to which consumers are able to find the information they require in their decision-making. While the ability to read, sort and understand reviews is important for identifying potentially fake and/or misleading reviews (as discussed in Section 2), the manner in which the review website is set out can be indicative of its level of transparency in terms of assisting consumers in making appropriate purchase decisions.

A review of hotel review websites across the EU-28 shows that, for the vast majority of websites (>70%), there was a visible webpage or link which set out information about the review website operator, typically on the "About Us" or "Contact Us" page (see **Figure 4-8**). The website checking exercise also showed that over half of review website operators provide a means of contacting them: mostly by providing a phone number, e-mail address, a location address or contact form (see **Figure 4-9**). Only one in five websites provided a specific contact name. This finding is, however, not surprising given that the majority of review websites are involved in sales of hotel accommodation and, as such, have an incentive to provide information to allow consumers to contact them. Of particular interest is the relatively lower prevalence of information on "how it works" or directly assisting the consumer by way of a "help" page or "FAQs" page.

Q12 Which of these tabs/links can be seen on the review website?

Answered: 391   Skipped: 32

Tab/link	Percentage
FAQs	39.90%
How it works	11.25%
About us	73.40%
Contact us	82.61%
Terms & conditions	62.66%
Help	24.04%

FIGURE 4-8: PROVIDING INFORMATION TO ASSIST CONSUMERS' UNDERSTANDING

FIGURE 4-9: CONTACT DETAILS FOUND ON REVIEW WEBSITES
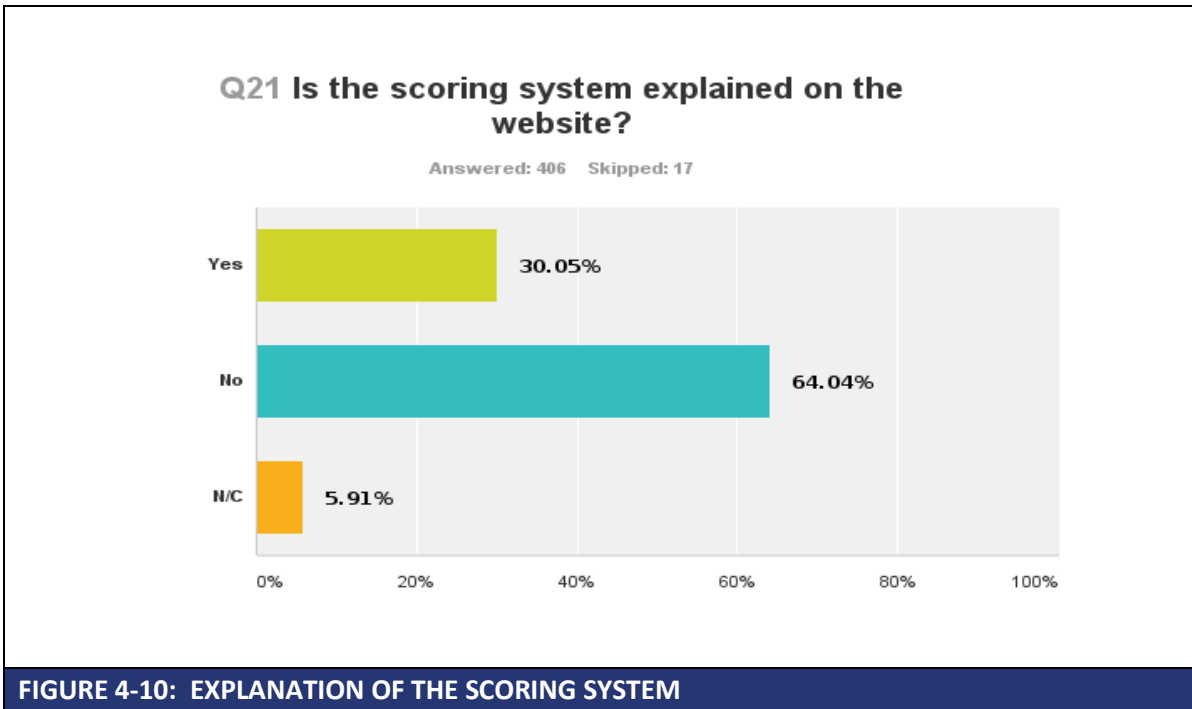
4.2.5 Transparency of scoring system

The absence of clear and transparent information on how review scores/ratings are calculated impacts on all stakeholders in various ways:

▪ An increased lack of trust by consumers in the transparency of reviews and the actions of review platforms and their operators;

▪ Increased difficulty for hotel operators to constructively engage with review website operators, particularly where they object to an unfair grading

▪ Increased risk of reviews being susceptible to manipulation or for review website operators of being accused of manipulation of reviews. This is becoming an increasingly important public relations risk for review website operators.

The website checking exercise showed that, only around 30% of websites included an 'explanation' of their scoring or rating system or described their ranking logic in detail (see **Figure 4-10**) (note that 'explanation' is used broadly here to cover all attempts to explain an approach to ranking ranging from more basic explanations (e.g. 1 = best, 5 = worst) to those that described the specific ranking/algorithms applied). This is consistent with the finding that only around 40% of websites had a FAQs page and 1 in 10 websites had a page explaining "how it works" (see **Figure 4-8**). Some websites included descriptions of their ranking systems in the Terms and Conditions; for example, one website referred in its T&Cs to a "*fully automatic classification system (algorithms) which is based on multiple criteria*".

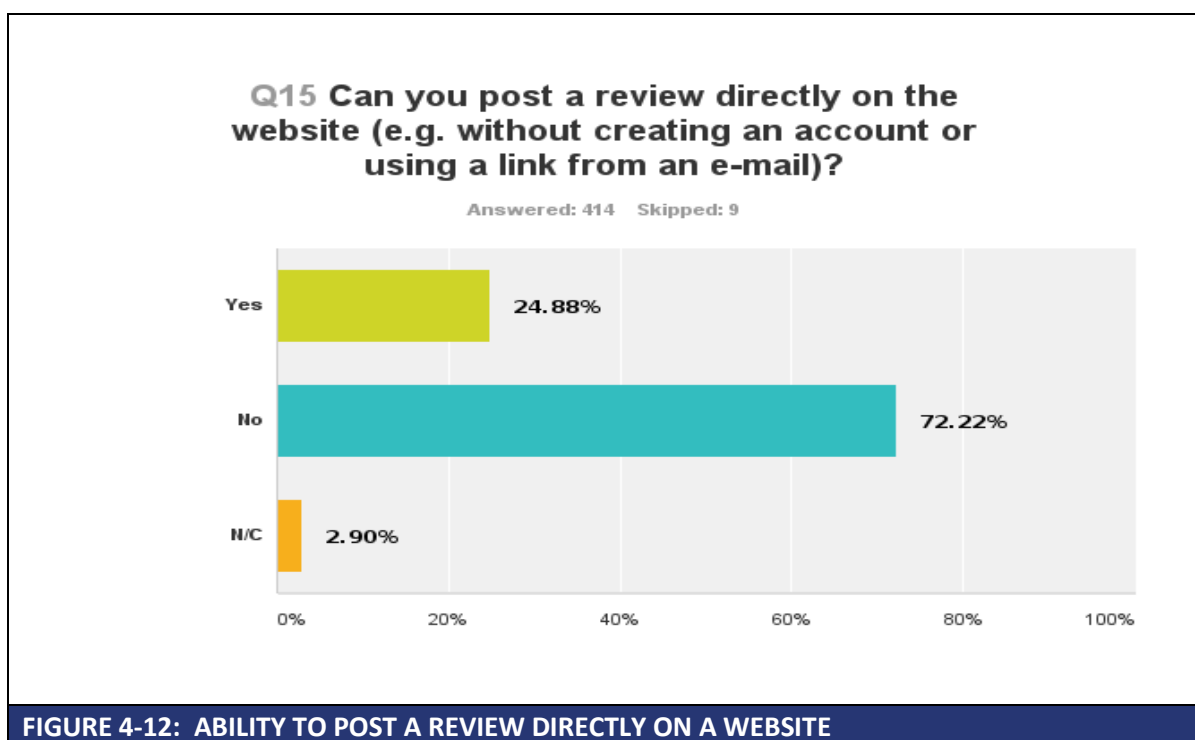**FIGURE 4-10: EXPLANATION OF THE SCORING SYSTEM**

Linked to the scoring system are broader issues relating to the transparency and impartiality of scoring systems and review websites. The website checking exercise examined whether potential commercial relationships between the website platform and the reviewed business were disclosed as these often affect the ranking of a business (e.g. by placing it at the top of the list). The analysis revealed that only 2% of websites make any reference to sponsorship information (see **Figure 4-11**). While it is possible that this may indicate that very few commercial arrangements exist between businesses and review platforms, it is more likely to be indicative of the fact that such commercial arrangements, although they exist, are simply not disclosed.

FIGURE 4-11: DISCLOSURE OF INFORMATION ON SPONSORSHIP
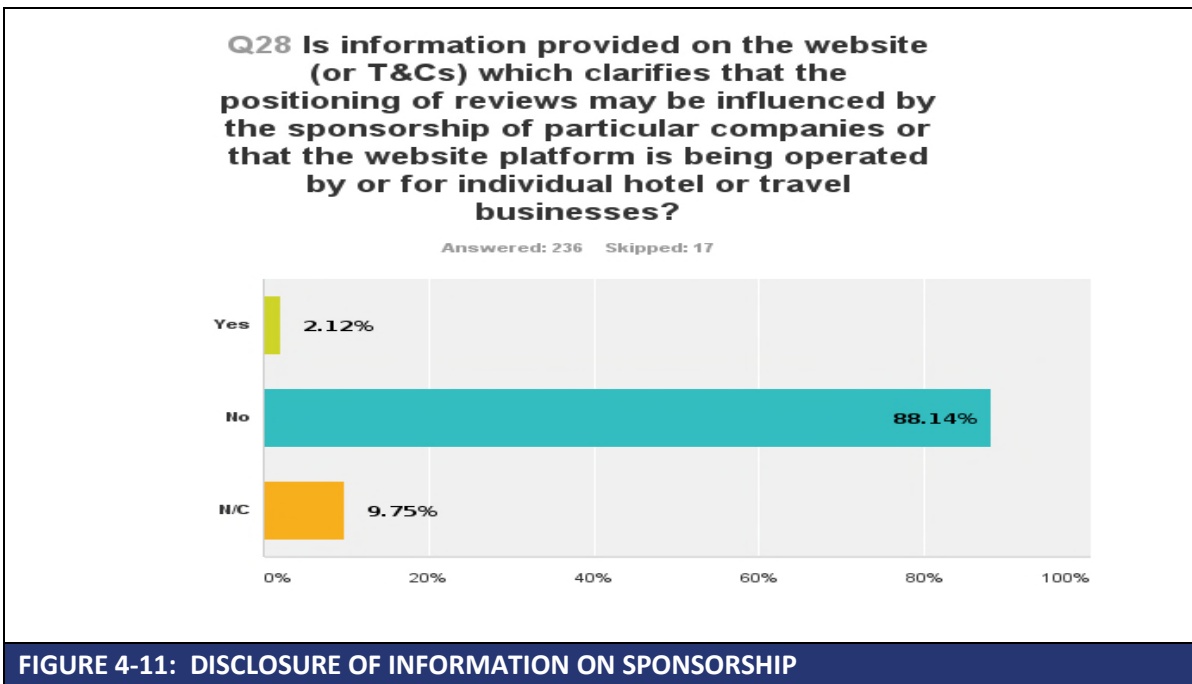
4.3   Verification mechanisms on hotel review websites

4.3.1 Verification of identity

The website checking exercise showed that the vast majority of analysed websites (>70%) do not allow consumers to post reviews directly (i.e. without creating an account or using a link from an email) (see **Figure 4-12**).   However, around one in four websites allows a consumer to post a review directly. It was observed that many of the websites which allow consumers to do so operate in countries where online consumer reviews are less popular (e.g. Bulgaria). It is likely that as the use and reliance on online reviews increases, website operators may prioritise and/or be more able to afford verification software and will include additional filters and/or restrictions to ensure the reviews' authenticity.

Q15 Can you post a review directly on the website (e.g. without creating an account or using a link from an e-mail)?

Answered: 414   Skipped: 9

Yes	24.88%
No	72.22%
N/C	2.90%

FIGURE 4-12: ABILITY TO POST A REVIEW DIRECTLY ON A WEBSITE

Of the websites where you need to sign into a profile, over 50% required a consumer to create a dedicated account on the platform, while around 40% required the consumer to post a review using either a hotel booking number or email link/ reference. Interestingly, around 30% of websites allowed consumers to post a review using a social media website (typically Facebook). As shown in **Figure 4-13**, the use of social media accounts for posting comments is a trend which can be found across all EU-28 countries.

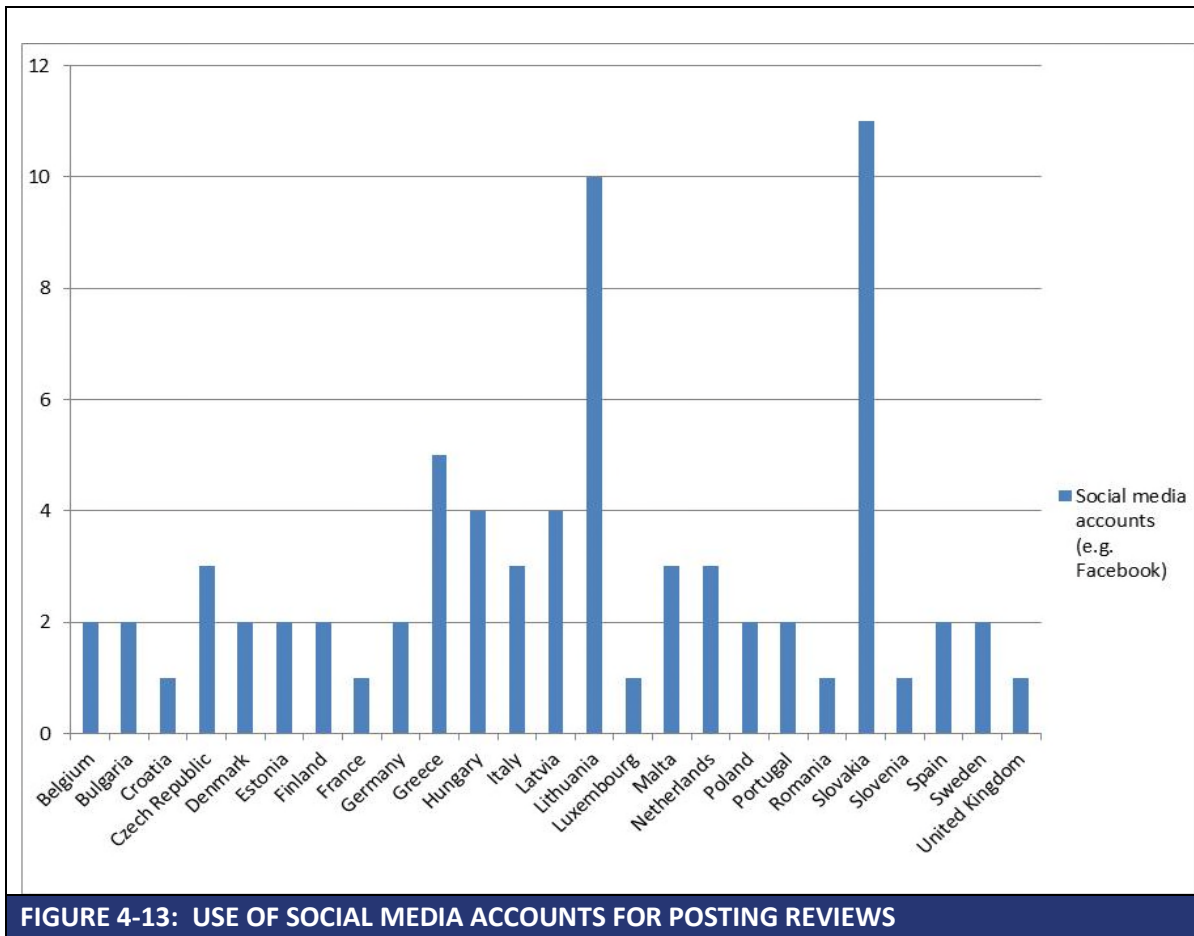| Table 4-4: What do you need to post a review?		
Parameters	**Percentage**	**Numbers**
Create an account on the website	56%	140
Use another business account	2%	3
Social media accounts (e.g. Facebook)	29%	35
E-mail link or hotel booking reference	43%	65

FIGURE 4-13: USE OF SOCIAL MEDIA ACCOUNTS FOR POSTING REVIEWS

4.3.2 Verification of actual stay

In only 20% of websites, consumers were required to provide some form of evidence of their actual stay in the hotel in order to post a review. In the vast majority of websites investigated, consumers were not asked to provide any information to verify actual stay (see **Figure 4-14**).

4.3.3 Verification of information provided

Photographic evidence can be used to substantiate and/or provide evidence for a review, especially if it is negative. As such, including consumer photos of specific hotel features (e.g. cleanliness) included in the scoring criteria may be a way of minimising the occurrence of fake and/or misleading reviews. Only about 20% of the analysed websites provided the possibility for consumers to submit photos (see **Figure 4-15**).

It is possible that review websites generally steer clear of requiring or allowing photos in order to facilitate the provision of a standard review (e.g. based on pre-defined qualitative and quantitative criteria) and due to resource issues (costs associated with uploading large data files).
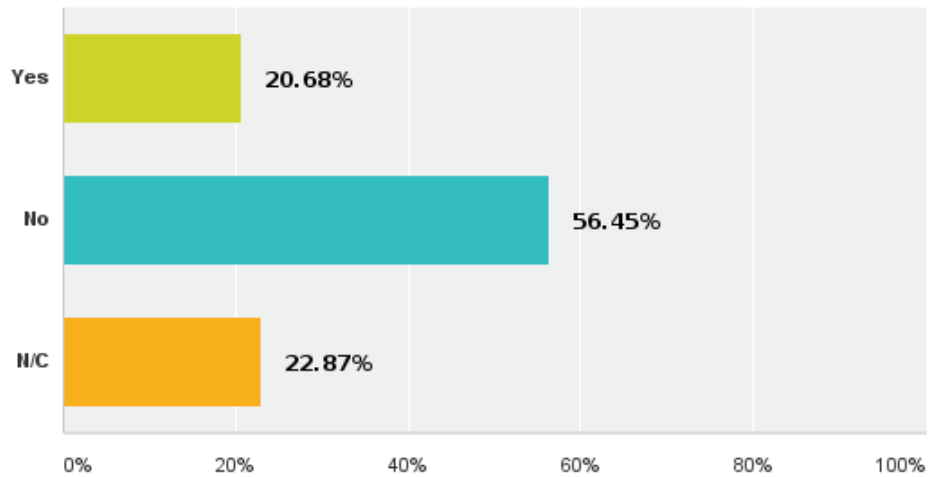
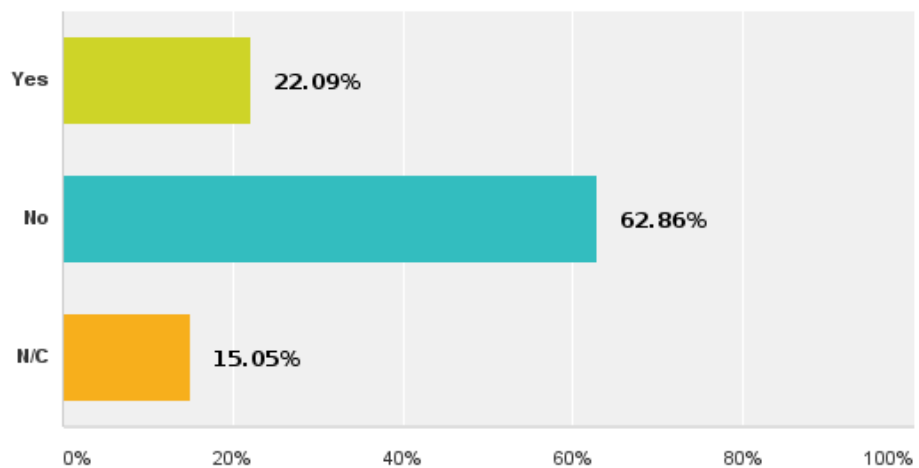**FIGURE 4-14: REQUIRED EVIDENCE OF ACTUAL STAY**

FIGURE 4-15: ABILITY FOR CONSUMERS TO SUBMIT PHOTOS

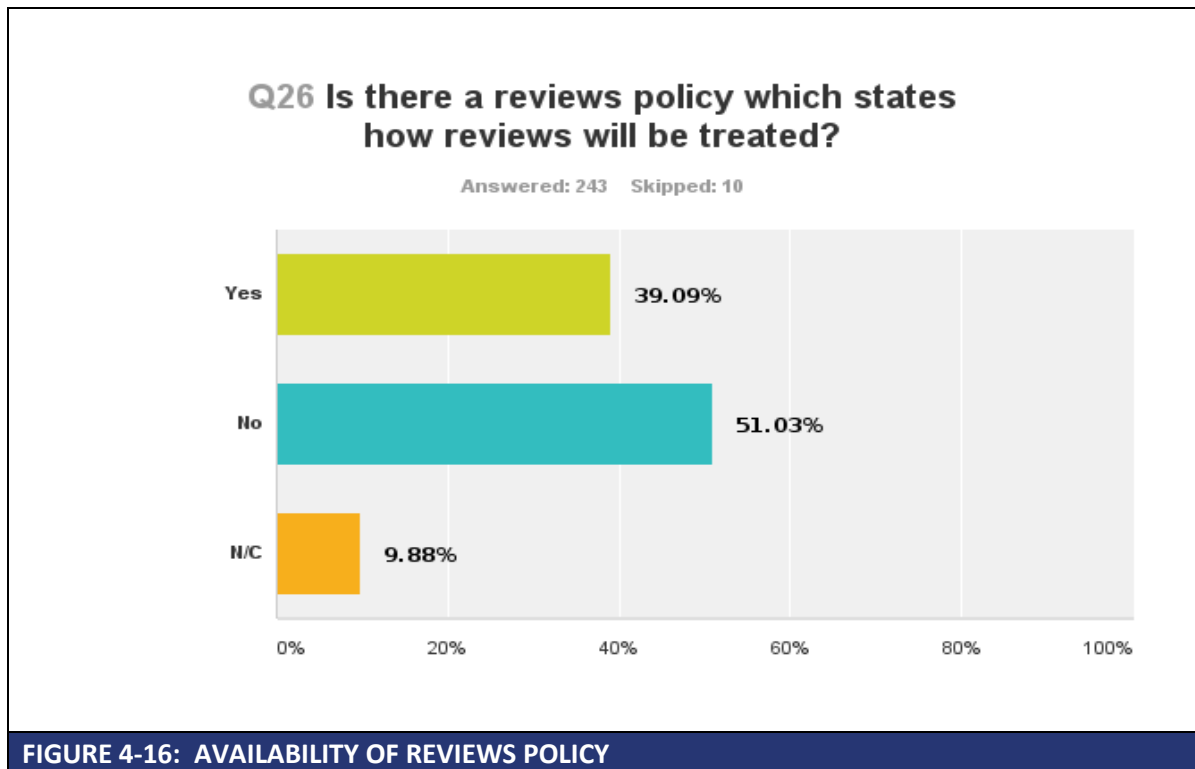## 4.4 Dealing with misleading and/or fake reviews

4.4.1 Overview

As discussed in Section 2.3, recent studies have shown a growing suspicion on the part of consumers with regard to the quality and trustfulness of online information. With this in mind, the website checking exercise analysed the manner in which review website operators' deal with misleading and/or fake reviews, focussing on a number of key areas:

- the reviews policy of **review website operators**;

- the extent to which **hotel operators** are involved in the verification of reviews (and the transparency to the consumer of such involvement); and

- the extent to which **consumers** are provided information relating to misleading and/or fake reviews.

### 4.4.2 Reviews policy of review website operators

A review of hotel review websites across the EU-28 shows that, on around 60% of websites the 'Terms and Conditions' of the website operators could be found (see **Figure 4-8**). These Terms and Conditions were investigated as part of the website checking exercise. Overall, it was found that only 4 out of 10 websites had a 'reviews policy' which specifically set out how reviews would be treated. Of these, 70% stated that they have the "*right to delete reviews*"; 40% stated they had the "*right to change reviews*" and 16% stated that "*reviews will not be changed or modified*". Only 20% of the websites with a reviews policy stated clearly that "*only verified reviews will be published*".

Q26 Is there a reviews policy which states how reviews will be treated?

Answered: 243   Skipped: 10

Category	Percentage
Yes	39.09%
No	51.03%
N/C	9.88%

FIGURE 4-16: AVAILABILITY OF REVIEWS POLICY

4.4.3 Involvement of hotel operators

Providing hotel operators with the ability to communicate with the review website platform could play a key role in mitigating the impacts of misleading and/or fake reviews, particularly those which could have a hugely detrimental impact on hotel operators. By providing them with an opportunity to respond to reviews, hotel operators can become active participants in ensuring that the information provided in review is accurate and a balanced reflection of the experience being reported.

The website checking exercise showed that the vast majority (>50%) of website platforms do not provide an opportunity for hotels to respond to the reviews received by consumers and do not clearly display their response. Indeed, only 6% of website platforms clearly highlight hoteliers' responses (see **Figure 4-17**). Note that it was not certain (N/C) or easy to determine for a relatively large proportion (40%) of websites checked whether responses were from hotel operators or others.

FIGURE 4-17: INDICATION OF HOTEL OPERATORS' RESPONSE
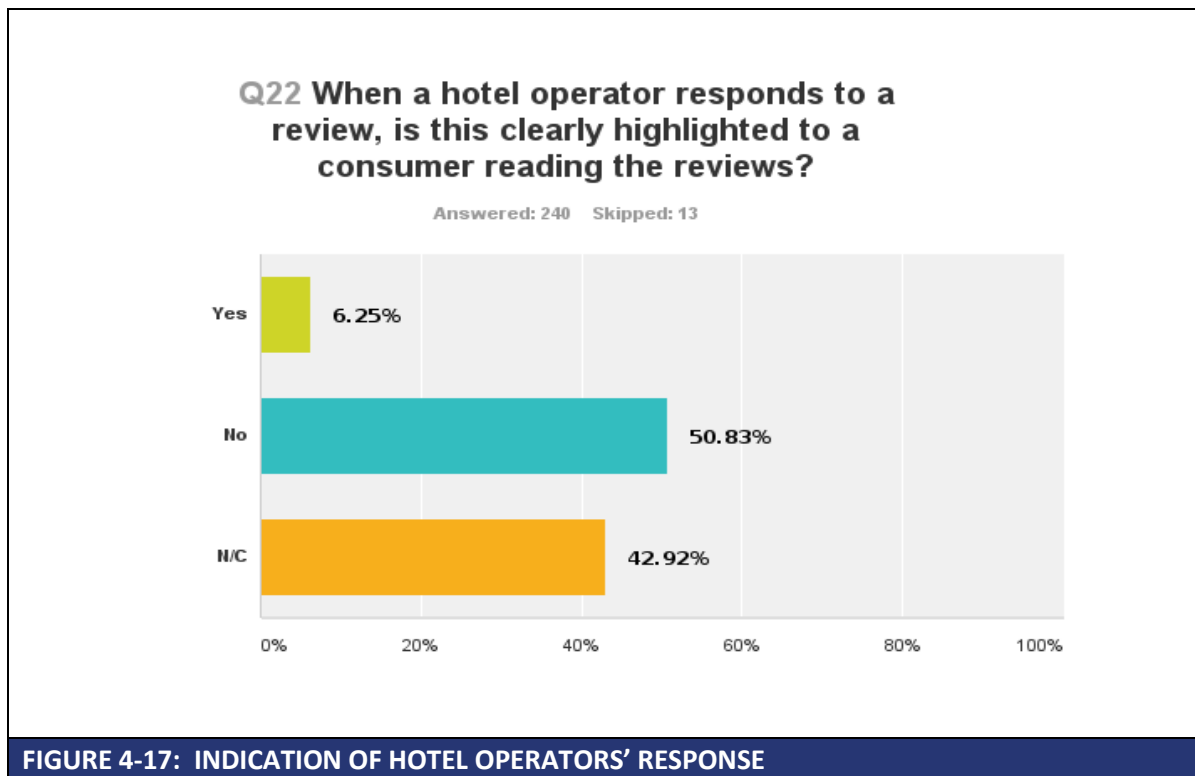
The website checking exercise also showed that less than 5% of the analysed websites provided a 'complaints procedure' to hotel operators in case they wanted to complain about a misleading and/or fake review to the website platform (see **Figure 4-18**). Of these, only two websites specified a time limit within which complaints will be addressed. This obviously hinders the possibility for hotel operators to take action on such reviews and/or respond to comments on the review platform.

Somewhat linked to this, it was also found that the 'dates of stay' of the consumer/reviewer are provided in less than 20% of websites (see **Figure 4-19**). While the absence of information on 'dates of stay' does not invalidate reviews, its inclusion is important contextual information that can provide additional clues which might help consumers to spot fake reviews and hotel operators to cross-check their records and effectively contest fake reviews.
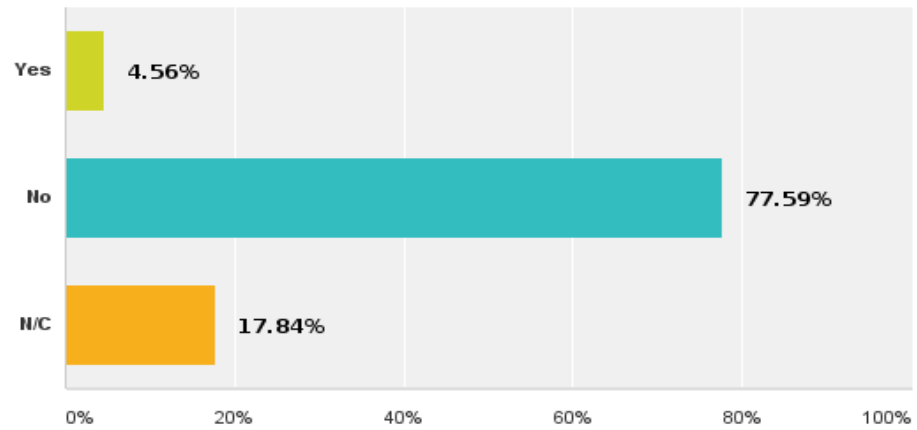
FIGURE 4-18: AVAILABILITY OF COMPLAINTS PROCEDURES FOR HOTELIERS

FIGURE 4-19: INDICATION OF CONSUMER DATES OF STAY

In this context, there is also the broader issue of whether there should be a time limit for providing a review. In other words, a review posted several months after a hotel stay is unlikely to an accurate recollection of events; indeed, it is worth noting that some website operators have limited the time to provide reviews to six months post-stay.
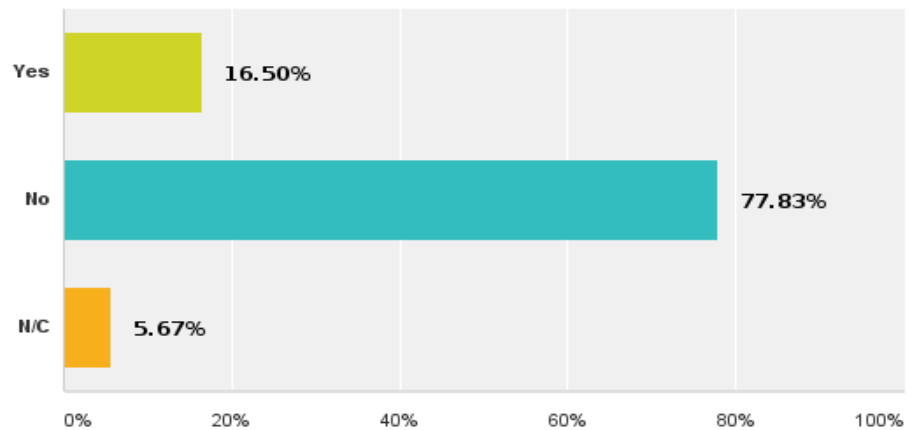
4.4.4 Consumer warnings and disclaimers

In dealing with misleading and/or fake reviews, it is important that information or warnings are provided to consumers and/or reviewers to raise their awareness not only of their rights and responsibilities but also as to the potential consequences of their actions.

The website checking exercise investigated the presence of disclaimers or warnings just prior to posting a review and found that less than one in four websites provides any disclaimer or warning to reviewers (see **Figure 4-20**).

Q19 Is there a disclaimer/policy relating to fake reviews for reviewers to read just prior to posting a review?

Answered: 413   Skipped: 10

- Yes — 23.00%
- No — 51.57%
- N/C — 25.42%

FIGURE 4-20: EXISTENCE OF DISCLAIMER/FAKE REVIEWS POLICY

A breakdown by country, as shown in Table 4-5 overleaf, also highlights a few interesting patterns across countries. At one extreme, there are countries like Estonia, Slovakia and Sweden where such disclaimers are rarely found; at the other extreme, in countries like the UK and Ireland, these disclaimers are fairly common. In the middle are countries such as Germany, Netherlands and France, where these disclaimers appear to be seen in every one in two websites checked. This pattern is likely explained by the popularity, use and reliance on review platforms, which generally corresponds to the characteristics of the particular country's travel market (e.g. in terms of number of visitors, location of destination, etc.). As such, the rare inclusion of such disclaimers in countries like Estonia, Slovakia and Sweden likely reflects the fact that review websites are less popular in these countries.

Understandably, in countries like the UK, Germany and France, all of which have well-developed travel markets, the use of online review websites is significant, hence the need to include relevant disclaimers.

Table 4-5: Is there a disclaimer/policy relating to fake reviews for reviewers to read just prior to posting a review?					
Country	**Yes**	**No**	**N/C**	**Blank**	**Grand Total**
Austria	2	3	4	1	10
Belgium	2	3	9		14
Bulgaria	1	12			13
Croatia	1	8			9
Cyprus		2			2
Czech Republic	3	5	12		20
Denmark	6	5	10		21
Estonia		20			20
Finland	1	9	3		13
France	8	11	1		20
Germany	9	7	2		18
Greece		6	11		17
Hungary	2	2	14		18
Ireland	8	3			11
Italy	4	13			17
Latvia	3	10			13
Lithuania	5	5	7	3	20
Luxembourg	2	2	1		5
Malta		1	3	1	5
Netherlands	8	10	2	1	21
Poland	9	5	4	1	19
Portugal	2	9	1	1	13
Romania	1	6	2		9
Slovakia	2	17	1		20
Slovenia		10	2		12
Spain	2	9	9		20
Sweden	1	16	3		20
United Kingdom	13	4	4	2	23
Grand Total	**95**	**213**	**105**	**10**	**423**

While the deterrent effect of a disclaimer on those intent on posting misleading and/or fake reviews is uncertain, it may have some benefit in reminding consumers particularly those posting reviews for self-gain or due to incentives about the inappropriateness of such actions.

At present, only a small number of reviewers are aware of the personal responsibility they carry from a legal point of view when leaving feedback online. Individual consumers in particular are not sufficiently informed about the liability they assume when reviewing a business. According to Consumer Focus (2012), individuals *"do not feel threatened as long as their comments reflect a genuine experience or opinion, relying on a perceived right to freedom of speech"*. However, it must be noted that their feedback can be considered as libel, especially if it is unfairly critical, and thus leave them in a vulnerable position, possibly precipitating legal action.

The provision of warnings to consumers is particularly important within the context of the key findings of a review of the terms and conditions of various review websites, which showed that:

▪ Hotel reviews website operators do not generally accept legal responsibility for misleading and/or fake reviews. In general, this is made explicitly clear in their terms and conditions of use. They state that use of information on the site by consumers is at the users' own risk and do not admit any legal responsibility for the accuracy of hotel reviews, information and content posted by third parties, or for any subsequent detriment suffered by consumers.

▪ Some hotel review websites make clear in their terms and conditions that legal responsibility for the accuracy of information on their site remains with the hotels operators and consumers posting such information. Some operators, for example, explicitly state that users will indemnify the review website operator and its affiliates for all damages, losses, costs and expenses in relation to claims brought by any third party.

▪ In some instances, review websites make further statements in respect of the exclusion of liability, such as explicitly stating that they do not undertake monitoring and screening activities.

4.5   Multilingual websites and mobile/smartphone apps

During the website checking exercise, it was observed that a number of major players have review websites hosted using **different domain names** or, in some cases, hosted on the same website, but with a choice of languages. A separate website checking approach was carried out for these websites in order to confirm whether there were differences in the Terms and Conditions and other relevant information provided to consumers on these sites. For this, three websites under Categories 1, 2 and 3 of the typology were shortlisted and were checked in three languages (English, Spanish and French).

For each of the three companies considered, the websites were found to be the same regardless of the language used and domain address. Indeed, when considering the content, interface, terms and conditions and disclaimers provided, the websites were found to be rather identical in the different languages offered. The only difference noted was the ordering of the reviews, such that reviews in the language of the domain address appeared before reviews in other languages (e.g. for one website with domain name ending in '.co.uk', the default setting was for reviews in English to appear before those reviews in other languages).

It was also observed that a lot of the major review websites have **smartphone apps** which are popular with consumers. Mobile websites and apps offer consumers the ability to book hotels on tablets and iPads etc. and users are also able access and sort

reviews. As part of the website checking exercise, the desktop website, mobile and smartphone apps were checked for each of the three review sites.

It was found that the mobile site is often a basic, stripped back version of the desktop website; however, the most important information is still available. Importantly, the mobile site provides the consumer with the terms and conditions of use, contact details as well as a link to the desktop site. In terms of reading reviews, consumers have the same options on the mobile site as the desktop website. It was also found that the Apps offered largely the same functions as the desktop websites, with a few caveats:

- For one website, the App provides consumers with information on prices and ratings and it links the user to the appropriate booking website if they select a particular price and provider. However, the App is limited in terms of reviews and, unlike the website, **does not allow the user to link to the website where the reviews came from for more details**. Additionally, the App does not allow users to 'sign in' or post a review.

- For another website, it was found that the App is particularly user friendly, allowing users to access 'My Account' and providing terms and conditions and contact details. In terms of reviews, users are able to sort the reviews based on type of traveller (like the desktop and mobile sites) however, **no quantitative breakdown of scores is provided in the App, which is a useful feature of both the desktop and mobile sites**.

- For the last website, the App offers largely the same service as the desktop website. Users are able to access and sort reviews, write reviews and upload photos. The review policy and terms of use is also available within the App and is the same as that on the desktop website. Unlike the desktop website however, **there does not appear to be a disclaimer regarding fake reviews** when posting a review on the app which is present when posting a review on the desktop website.

4.6   Summary of key findings

A review of hotel review websites across the EU-28 shows that, for the vast majority of websites, a mixture of quantitative and qualitative reviews is typically made available to consumers. Most websites clearly indicate the total number of reviews on which a hotel rating is based and the default setting for most review websites is to provide reviews by date (typically with the most recent at the top).

The website checking exercise identified a number of areas of potential concern, particularly relating to:

- **No time limits on reviews** – around 90% of the websites did not limit the reviews to a fixed number of years, which means that reviews which may be outdated (and possibly, no longer relevant) are still available to the consumer and/or taken into consideration when arriving at the final hotel score/rating.

- **Lack of explanation of the scoring system on review websites** - only around 30% of websites included an explanation of their scoring or rating system on their website;

- **Lack of transparency and clarity on commercial relationships** between review website operators and hotel operators - only 2% of websites make any reference to sponsorship information on their website;

- **Lack of verification of reviews and reviewers** - consumers are able to post a review directly on one in four websites without creating an account or using a link from an email. Linked to these are issues associated with a lack of verification of actual stay at the hotel and/or the information provided in the reviews. In only 20% of websites, consumers were required to provide some form of evidence of their actual stay in the hotel in order to post a review;

- **Inconsistencies in review policies of review website operators** - only 60% of websites featured 'Terms and Conditions' on their website and only 4 out of 10 websites had a 'reviews policy' which specifically set out how reviews would be treated. Of these, 70% stated that they have the "*right to delete reviews*"; 40% stated they had the "*right to change reviews*" and 16% stated that "*reviews will not be changed or modified*". Only 20% of the websites with a reviews policy stated clearly that "*only verified reviews will be published*".

- **The lack of a right of response for hotel operators** - less than 5% of the analysed websites provided a 'complaints procedure' to hotel operators in case they wanted to complain about a misleading and/or fake review to the website platform.

- **The need to ensure consistent provision of information to consumers across user platforms** (i.e. smartphones and apps).

5. Problems relating to misleading and/or fake reviews in the hotels sector

5.1 Introduction

This section provides some discussion on the nature of the problem of misleading and/or fake reviews in the hotel sector. It provides:

- an analysis of the principal problems as regards the integrity of hotel reviews with respect to the types of the websites identified in Section 3, where some of these problems:

    o vary according to the **type of website** (as set out in the typology, in Section 3)

    o are intrinsically related to how **online reputation and ratings systems work**; and/or

    o are intrinsically linked to **increased consumer use and reliance on hotel review websites**.

- a review of the literature relating to the **consumer detriment** caused by misleading and/or fake reviews; and

- an identification and analysis of **different sources of misleading and/or fake reviews**, with a special focus on the emerging use of e-reputation companies.

These aspects are discussed in the sections below.

5.2 Problems relating to the integrity of reviews

5.2.1 Overview

In order to analyse the problem of misleading and/or fake reviews, it is important to provide a working definition of these terms – for the purposes of this study specifically:

- A **false hotel review** is an online review which, whether or not written by a genuine consumer, is factually incorrect or erroneous. A false hotel review does not require 'intention to deceive'. Article 6 of the Unfair Commercial Practices Directive (2005/29/EC) may apply to false hotel reviews.

- A **fake hotel review** is an online review purporting to be the honest opinion of a genuine consumer that has in fact been written either by the hotel itself, an e-reputation company seeking to improve a hotel's reputation and ranking, or by a maliciously motivated consumer seeking dishonestly to harm the hotel's reputation and ranking. In effect, fake reviews refer to those reviews which are posted with an 'intention to deceive'. Article 6 of the Unfair Commercial Practices Directive (2005/29/EC) may apply to fake hotel reviews. In addition, according to Annex I No. 22 of the Unfair Commercial Practices Directive, it is in all circumstances considered unfair for a trader to falsely represent himself as a consumer.

- **Misleading hotel reviews** cover some false and fake hotel reviews, as well as practices by traders, review websites or social media, which would be covered under Articles 6 and 7 of the Unfair Commercial Practices Directive (2005/29/EC).

Misleading practices may occur, for example, when the collection of reviews is influenced by incentives, but where this is not made clear to consumers (hidden advertising). They may also occur at the stage of moderation of reviews, on a dedicated review website or in aggregated format (e.g. comparison sites), for example, in cases where only a selection of reviews are published, where scores and ranking can be influenced by commercial links between review sites and hotels that may not be clear to the consumer, or where there is differential treatment of reviews for partner- or non-partner hotels. Misleading use of reviews may also occur in advertising (e.g. claims based on biased reviews results).

In practice, as it is not always easy to determine the intention (or motive) of a particular review, all three types of review problems would have the same effect on consumers (i.e. making purchasing decisions that they would not otherwise have made). The Unfair Commercial Practices Directive (2005/29/EC) applies to all three types of review.

Misleading and/or fake reviews undermine consumer confidence in the integrity of reviews and lead to consumer, personal and structural detriment. The table below sets out different types of misleading and/or fake reviews.

Table 5-1: Typology of misleading and/or fake hotel reviews	
Problem type	**Description**
1. Fake or misleading hotel reviews written by hotels themselves	Hotel managers or staff may sometimes post fake reviews to counteract negative reviews about their hotel, to discredit the content of negative reviews or to improve their ratings. Fake reviews may also be posted by hotels to undermine the reputation of rival establishments.
2. Fake or misleading hotel reviews posted by e-reputation management companies	Some e-reputation firms have been caught writing fake reviews so as to boost a hotel's ratings or have sought to discredit or remove negative reviews. As one of the criteria considered in the algorithms is the time since the review was written, producing a series of positive reviews can make the negative review fall down the list of consulted reviews.
3. Biased moderation by websites and blogs	Bloggers are sometimes remunerated by hotels or travel agencies and it may not be clear that a supposedly impartial review on a blog is actually paid-for advertising. Another issue is that hotels indirectly seek to manipulate reviews by providing incentives to consumers for writing a review, such as a discounted room rate, discounts on meals or drinks, service vouchers or other gifts so that consumers provide a more favourable review (Trip Advisor, 2013).
4. User-generated content by fake or malicious users	Consumers with a personal grudge against a hotel owner may post fake reviews with malicious or defamatory content, such as alleging that the facilities were not as advertised, etc.
5. Misleading restitution or presentation of review results	Some hotel review websites aggregate hotel reviews from across other different websites. However, there have been instances where the ranking of the review results presented has been manipulated by the website in order to redirect web traffic to hotels that it promotes, whilst presenting the results as objective and impartial.

A 2013 Commission Report on the application of the Unfair Commercial Practices Directive (2005/29/EC)[4], noted that practices mentioned by respondents to a consultation with regards to Article 6 (misleading actions in B2C commerce) most frequently involve untruthful information on the main characteristics and/or on the price of products or services offered (this includes tourism products such as accommodation services). The Report highlighted, for example, an occasion where the courts of a Member State fined a company operating hotel booking websites and seven of its subsidiaries for breach of the rules on unfair commercial practices. The websites claimed to provide a comparison between best offers and availability but instead steered bookings towards 'partner hotels' to the detriment of 'non-partner hotels'.

Specific to the hotel sector, there are some reviews which include misleading advertising (either intentionally or unintentionally), regarding for example the location of the hotel, the type of facilities they offer, the level of customer service, etc. Some examples of misleading claims or descriptions, highlighted by consumers, are shown in Figure 5-1 overleaf. These consumers were disappointed with their hotel experiences due to misleading claims relating to the services that the hotel provides or due to claims made in relation to the hotel's location.

The literature review also uncovered examples of 'mystery hotel' deals, a concept whereby consumers can select a random "mystery hotel" when making their online booking in exchange for a discount of up to 30% below the "normal" rate. Consumers complained, however, that there was a lack of transparency as to whether a mystery hotel rate really represented good value for money. The integrity of mystery hotel deals has been called into question due to cases of misleading information related to the advertised star rating for the "mystery hotel" where the special deal was available. When consumers finally made the booking and the name of the hotel was revealed, it was not always the star rating that had been claimed earlier. A further problem is the lack of price transparency at the point when the consumer makes the booking, since they cannot compare the price of the same (as yet unknown) hotel on rival hotel review, booking, or price comparison websites.

In some cases, once the booking had been made and the hotel named, there have been instances where the price has subsequently been checked on a rival website and it was found that it was cheaper (despite the website offering the "mystery hotel" claiming to be providing the consumer a 30% "discount". A more general problem is that of consumer disappointment in mystery hotel deals because the deal does not offer the expected consumer value and/ or the hotel is not as highly rated as advertised. Additionally, Figure 5-2 identifies examples of the issue of incentives being offered to consumers to write favourable reviews. Instances of misleading advertising practices have also been identified. Figure 5-3 shows examples of the impacts online reviews can have on consumers' purchasing decisions.

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[4] First Report on the application of Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council ('Unfair Commercial Practices Directive'), COM(2013) 139, Section 3.4.2 on Customer Review Tools and Price Comparison Websites, p. 22-24.

"Beware of the misleading hotel location description"

Reviewed 10 October 2013

We chose this hotel as it was advertised on the ▮▮▮▮▮▮ website as being 400m to the beach. The hotel is OK, clean, staff fairly friendly with a small pool area. It is quite remote but fine if you want a very relaxing holiday. However, in order to get to the beach, a bus trip is required as this is 4 Km away. The bus goes from the Caves which is close by. We telephoned the ▮▮▮▮▮▮ office whilst on holiday as instructed to register a complaint about the misleading location which was to be followed up once we got home. When we arrived home, we were told ▮▮▮▮▮▮ was not responsible for the website (says ▮▮▮▮▮▮ all over the home page) and that is was a ▮▮▮▮▮▮ trip so not their problem (we paid ▮▮ for the holiday!!!). Anyway, very rude Customer Services woman said they would refund some of our bus fare but not the full amount as we could not provide receipts (do you keep bus tickets when you are abroad on holiday?). Gave us a ▮▮ voucher for £35 which we rejected. Have since sent emails to ▮▮ and Chief Executive – no response or reply. Terrible customer service – used to go with ▮▮ all the time – never again. Sheer misrepresentation on the website!!!!! don't go there is you like the beach!!!

"Misleading hotel website!"

Reviewed 28 March 2012

'Nothing is too much to ask for, every detail attended to with that touch of elegance that you expect' this quote is from the hotel website and surely breaks the trade description act!

I stayed a few nights and suffered a similar lack of customer service! The room was ok but the sheets and bins were not changed and nor was the Tea & Coffee service replenished. Certain TV channels such as ITV,C4 & C5 did not work either!

Breakfast was a shambles! A DIY job as you had to ask for T&C and even some bread to make toast! There was nothing to put on your toast and no evidence of a full English breakfast should you want it. Cutlery/napkins, crockery had to be sourced from somewhere around the breakfast area. Staffs seemed oblivious to these basic customer needs. No evening menus available either.

Dear Sir/Madam,

I am writing today to explain my experience of using ▮▮▮▮▮▮ to book a hotel for my girlfriend and I on our recent trip to Rome, Italy.

After some time browsing the internet, it became apparent that for 4 nights in a 4 star hotel we would be paying somewhere between £250 and £350. A friend recommended ▮▮▮▮▮▮ Top Secret' hotel service, where top hotels could be purchased at a cheaper rate, so we decided to give it a try and were delighted to find a 4 star hotel advertised as "minutes from the colosseum". For £309.08 I spoke with my girlfriend and, as the hotel's location was described as close to the Colosseum, we decided to go ahead and book the room; booking reference 9********. The name of the hotel; Hotel Champagne Palace.

Upon arrival in Rome we took a taxi from the airport to the hotel. On route we passed the Colosseum, and did not arrive at our hotel until 15 minutes after passing it. As we arrived at 23:00 hours there was no traffic. During the day, with the Rome traffic, I would estimate that it would take roughly 25/30 minutes to get to the Colosseum. Our hotel was located next to the main train terminal and the colosseum was 2 stops away on the metro. This is not "minutes from the colosseum", as stated on your advert.

FIGURE 5-1: EXAMPLES OF MISLEADING CLAIMS

"Misleading"
◉○○○○ Reviewed 14 June 2012

All i can say is the sign on entry at the bar says write a good review on line and get a free drink
consequently the service and hotel was poor and was not like the reviews that we read on line!!!!!!!!
we waited in the rain until 6pm until somebody showed up to let us in.

Stayed June 2012, travelled with family

◉◉○○○ Value   ◉◉○○○ Rooms
◉◉○○○ Location   ◉◉○○○ Cleanliness
◉○○○○ Sleep Quality   ◉◉○○○ Service

However, the hotel owner responded to the negative review and stated that offering incentives in exchange for favourable reviews had been a one-off experiment.

I'm really sorry you had a less than satisfactory experience at ▇▇▇▇▇▇ As the owner and manager of the establishment, I want to personally apologise for any inconvenience or confusion caused whilst you were with us.

Also, I want to let you know that the sign on the bar that you are referring to was a Facebook promotion that we were experimenting with: we had recently joined Facebook and had made some posters asking our locals to "like" us on Facebook, in return for a free drink. In my 24 years as landlady of ▇▇▇▇, I have never asked anyone to write a favorable review of my establishment - our guests do that on their own accord, as you can see on here.

FIGURE 5-2: EXAMPLES OF INCENTIVES BEING OFFERED TO WRITE FAVOURABLE REVIEWS

I booked a secret hotel rated 4 stars on your web site on 14/11/12 the details are as follows▇▇▇▇▇▇ Hotel
Westminster - Victoria - Big Ben Area Hotel, 4.0-stars

1 Room: 2 Adults
2 Nights: 30/Dec/2012 - 1/Jan/2013
£316.91
2 nights
Taxes & Fees
What are Taxes & Service Fees?
The taxes are tax recovery charges▇▇▇▇ pays to its vendors (e.g. hotels); for details, please see ourTerms of Use.We retain our service fees and compensation in servicing your travel reservation.

£77.78
Total: £394.69

Rates are quoted in British pounds sterling.
Sent from my iPad
On receiving my confirmation email and details of the hotel, I looked it up on ▇▇▇▇ and was shocked at the reviews and felt extremely let down by▇▇▇▇ for advertising this hotel as 4stars. ▇▇▇▇ also states on your web site how you calculate hotel star ratings,which states you take the average of 3 top review sites, well going on your calculations using ▇▇▇▇ rating 2.5▇▇▇▇ 2.9 and ▇▇▇▇ 3.4 this gives it an average of 2.93 still way below 4 stars. You also state you factor in customer feed back and I copy a review from your website

FIGURE 5-3: EXAMPLES OF CONSUMERS MAKING PURCHASING DECISIONS BECAUSE OF REVIEWS

5.2.2 Problems relating to the various types of review websites

The table below provides a summary of the main problems encountered with regard to the integrity and accuracy of hotel reviews on the various types of websites identified in the typology in Section 3.

Table 5-2: Types of websites providing hotel reviews and common problems	
Type of website	**Problems**
Category 1 – Hotel review websites	▪ False reviews – reviews which are factually incorrect ▪ Fake reviews - reviews that are not genuine and written with the intention to deceive by consumers, hotel managers/staff or other parties ▪ Misleading advertising and unfair marketing practices o Misleading pricing of hotels, for instance, because the headline rate quoted does not include VAT or other taxes relating to the stay.

Category 2 –
 	
Hotel booking and review websites
	▪ False reviews
	
	▪ Fake reviews
	
	▪ Misleading advertising and unfair marketing practices by hotels. Examples include:
	
	    o The manipulation of reviews, for instance when hotels offer their consumers a discount on rate, meals or drinks, service vouchers or other gifts to provide a positive or more favourable review.
	
	    o Mystery hotel deals that claim to represent "best value" and offer a steep discount to the prevailing market rate, but which are either no more competitive or even less competitive than the best rates available on websites where the same hotel is openly advertised.
	
	    o Misleading pricing of hotels, for instance, because the headline rate quoted does not include VAT or other taxes relating to the stay.

Category 3 –
 	
Travel agencies/ travel websites
	▪ False reviews
	
	▪ Misleading advertising. Examples are:
	
	    o Instances where hotels provide information about their hotel and the services offered that are factually incorrect
	
	    o Impartiality – when the travel agency or travel website purports to be providing a neutral, impartial services, but they use reviews to endorse particular hotels and this is not made clear to consumers

Table 5-2: Types of websites providing hotel reviews and common problems	
Type of website	**Problems**

Category 4 –
 	
Websites for travel and other products
	▪ False reviews
	
	▪ Misleading advertising. Examples are:
	
	    o Hidden advertising - paid reviews to endorse particular hotels where this is not made clear to consumers
	
	    o Brand hijacking – when an individual or another hotel takes control of a hotel's name (for instance, because the hotel did not have an online presence themselves). They then redirect traffic to their own hotel reviews/ listings site.

Category 5 –
 	
Social networking websites
	▪ False reviews
	
	▪ Misleading advertising. Examples are:
	
	    o Hidden advertising - paid reviews to endorse particular hotels where this is not made clear to consumers
	
	    o Brand hijacking – when an individual or another hotel takes control of a hotel's name (for instance, because the hotel did not have an online presence themselves). They then redirect traffic to their own hotel reviews/ listings site.

Category 6 – Blogs and online forums	▪ False reviews ▪ Hidden advertising - paid reviews to endorse particular hotels where this is not made clear to consumers

5.2.3 Problems intrinsically related to how online reputation and ratings systems work

Before examining the problem of fake reviews, it is necessary to explain how online hotel ratings systems work. The table below provides a brief explanation of how online reputation and ranking systems work.

Table 5-3: How do online reputation systems work?
An online reputation system collects information from users about their experiences of purchasing goods and services across different areas of a website and then uses this information to compile a reputation score. According to a report by ENISA, reputation systems need to provide the following three core elements: ▪ the rating process – enabling users to provide feedback on their experiences while using or interacting with the reputation item (e.g. staying in a hotel);   ▪ a query process that allows users to investigate the reputation of an item; and   ▪ a reputation function that calculates a reputation score. Weighted averages can be calculated across different hotel review websites and social media platforms.   Farmer and Glass (2010) define the five most common online reputation models used

Table 5-3: How do online reputation systems work?
by web service providers. These are: vote to promote (users are allowed to rate a service or product), content rating and ranking, content reviewing and comments, incentive points, and quality karma (based on quality of user contributions e.g. Ebay).
Sources: ENISA (2011); Farmer and Glass (2010)

The transparency and reliability of reputation and ratings systems across different hotel review platforms was examined as part of the literature review for this study. There appears to be **a lack of transparency as to how aggregate hotel ratings systems work**, and as to whether the rating is based on genuine hotel reviews. A further problem is that there appear to be higher average reviews on some consumer review platforms than others. This risks undermining the integrity and comparability of different ranking systems and may confuse consumers. For instance, a working paper by the National Bureau of Economic Research (2012) examined differences in the distribution of ratings given to the same hotel between different types of hotel review websites (TripAdvisor and Expedia). It found that, although hotel review websites are supposed to be impartial, some websites appear to be more generous than others in their ratings, undermining the argument that such reputation systems can be trusted by consumers. Furthermore, the study also investigated the problem of online review manipulation. Among the findings were that "*the hotel neighbours of hotels with a high incentive to fake have more one- and two-star (negative) reviews on TripAdvisor relative to Expedia than do hotels whose neighbours have a low incentive to fake*". It also showed that "*hotels with a high incentive to fake have a greater share of five-star (positive) reviews on TripAdvisor relative to Expedia*"(NBER, 2012). The study confirmed that there is evidence of the manipulation of hotel reputation systems by hotels.

There is also an issue around the **trustworthiness of reputation scores based on guest feedback** on hotel review websites. In a 2011 report on trust and reputation models, the European Network and Information Security Agency (ENISA, 2011b) recommended that organisations/businesses which use reputation systems should become more open about the way in which their systems operate and about measures taken to ensure that fake reviews do not influence the rankings. This will enable users to have greater trust in the reputation scores they are using and help them make better informed online purchasing decisions. Similarly, clear guidelines and rules need to be established regarding how to update or remove a reputation score (at any point in the future) and how an individual reviewer can challenge inappropriate or inaccurate reputation scores. Website providers should also facilitate easy communications with consumers, enabling them to ask questions regarding their privacy policy and the level of trust that they can place in hotel review reputation systems.

The **manipulation of reputation and ratings systems** is linked with the broader issue of the manipulation of search results through Search Engine Optimisation (SEO), which affects the visibility of a website or a web page in a search engine's "natural" or un-paid ("organic") positions. Indeed, HOTREC (European Hospitality Industry Association) has stated that it is important that consumers are able to assess the results of online search inquiries based on clear and transparent search results. It is especially important to make clear what is behind the 'best deals' or similar formula, as often companies paying extra fees are ranked higher in search results (HOTREC, 2013).

5.2.4 Economic interests spurred by positive reviews in a context of increasing consumer use and reliance on hotel reviews

In the Web 2.0 era, consumers make an increasing number of purchasing decisions on the internet. Online reviews have transformed the way in which consumers make such purchasing decisions by providing them with an "independent" assessment of the quality of the good or service that they may wish to purchase. This has led to significant changes in the business model of many sectors and has had a particularly acute impact on the travel and tourism sectors.

In the hotel sector, there has been rapid growth in the use of online hotel review websites[5] by consumers in the past decade. **Consumers rely on the integrity of such reviews** because they are unable to make informed purchasing decisions through direct observation.   Word of mouth and personal recommendations used to be among the main ways in which hotels were able to market themselves and consumers were able to find out about their service offering. However, today, hotel reviews by consumers and the active development of a positive e-reputation by hoteliers have become the main mechanisms through which consumers make a purchasing decision (Marketing-Professionel.fr, 2012).

There are a number of benefits associated with online hotel reviews from a consumer perspective, such as:

- **Informing consumer choice** - improving consumers' ability to evaluate product quality that would otherwise be difficult to observe directly before making a purchasing decision.

- **Promoting quality in service provision by hotels** – hotels appear to be putting a stronger emphasis on improving their performance to get positive feedback from guests.

There have also been **economic benefits**, as online hotel reviews create producer and consumer surplus. Indeed, a link has been identified between hotel ratings based on comments and guest feedback and the revenue generated. The literature suggests that positive consumer reviews on hotel review websites and a high ranking on reputation systems have the **potential to increase hotel bookings and occupancy rates**. Over time, hotels that consistently achieve high ratings on online review websites may increase their prices. For instance, a study noted that transactional data from online booking websites shows that when the review score of a particular hotel is increased by 1 point on a 5-point scale, the hotel can subsequently **increase its prices** by around 10%, while maintaining the same level of occupancy or market share. Visitors also appear **willing to pay** more for a hotel whose ratings are higher. According to Anderson (2012), "*On average, room rates increased by US$12 for every 1% increase in their TrustScore[6].   For each percent increase in the Global Review Index, hoteliers can get an increase in RevPAR to 1.42%, an increase in occupancy rates of 0.54% and an increase in average daily rates to 0.89%".*

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[5] As described in the typology of hotel review websites, there is considerable heterogeneity in such sites, varying from dedicated travel and hotel review platforms, such as Trip Advisor, through to online travel reservations websites (e.g. Expedia), travel websites and blogs.

[6] TrustScore is a score that reflects the reputation of the hotel based on the comments received on the internet.

5.3   Consumer detriment caused by misleading and/or fake reviews

This Section considers the available literature on consumer detriment caused by fake reviews. Consumer detriment has been defined in the 'Handbook to assess consumer detriment' (DGSANCO, nd) in the following ways:

▪ **Consumer detriment -** involves consumers suffering harm or damage.

▪ **Personal detriment** - negative outcomes for individual consumers, relative to reasonable expectations.

▪ **Structural detriment** - the loss of consumer welfare (measured by consumer surplus) due to market failure or regulatory failure (EC, nd).

In order to consider consumer detriment, it is important to first take into account the impacts of misleading and/or fake reviews on consumers. The continued presence of misleading and/or fake reviews on review websites is likely to result in a number of adverse impacts for consumers and hotels. Among the main effects identified are:

▪ **Lower consumer confidence –** confidence in the integrity of hotel reviews is undermined, leading to an erosion of trust in consumer reviews, even if these continue to be widely consulted (due to the present lack of a better alternative).

▪ **Personal detriment** – although difficult to quantify, there are many individual instances where consumers have been disappointed by a hotel due to misleading and/or fake reviews. The effect may be financial, e.g. having to pay for WiFi, but often negative impacts are concerned with disappointment in the experience compared with expectations.

▪ **Structural detriment** – may be experienced through market failures as a result of consumers experiencing difficulty in evaluating the quality of hotels and in discerning between the different hotels on offer. This may risk undermining consumer choice.

▪ **Economic detriment** – hotel review websites have been demonstrated as having positive economic effects and producing consumer surplus. Therefore, a lack of confidence among consumers in their integrity may serve to undermine the business model for such sites, at least in the medium to long term.

In order to quantify the scale of consumer detriment, some indication of the scale of the problem of misleading and/or fake reviews would be required. Unfortunately, there is **no comprehensive data of the scale of the problem encountered by consumers**. Also, even where such data exists, it does not necessarily reflect the extent to which there is an issue. As highlighted during the consultation for this study, in practice, consumers do not necessarily react to fake reviews by reporting to authorities. Some will respond by writing a review and expressing their disappointment in the product/ service, some will manage the product, while others will decide not to use it in the future.

A number of articles have examined the problem of fake reviews and provided **quantitative estimates** on the scale of the problem. Unfortunately, none of these sources appear to be reliable for estimating the scale of the problem in Europe. While one report estimates that around 30% of online reviews are fraudulent (eMarketer, 2013), another estimates that by 2014, 10% - 15% of social media reviews will be fake and will be paid for by companies (Gartner, 2012). Some sources consider that the problem of paid-for hotel reviews is already widespread, particularly considering

the strong incentive which exists for hotels to employ reviewers to write fake reviews. As noted in The Guardian (2013), "*reading three negative reviews is enough to change the mind of 63% of consumers about making a purchase*" (The Guardian, 2013).

Without a reliable estimate of the magnitude of the problem, it is difficult to quantify the extent of consumer detriment as a result of misleading and/or fake reviews. However, **qualitative examples of the potential extent of consumer detriment** from misleading and/or fake reviews have been identified.

Table 5-4: Example of consumer detriment
It is often the case that a consumer will rely upon the representation made by a travel company at the point of sale in purchasing their holiday. There has been a trend in recent years whereby the promotion and sale of holidays online is accompanied by a link to a review site and a consumer will often be presented with 'positive' reviews. He/she will not further research the hotel/resort in question because they have relied on the representation made by the travel company. Holidaymakers will then report to us that there were substantial problems at a given hotel/resort and upon returning to the UK they will then discover the full nature/range of the reviews given, which contradict the gloss of an online or hard copy brochure.   In terms of losses, these can range from a ruined holiday to a serious illness. Holidaymakers will often consider that the presentation of 'selected' reviews are misleading and have induced them to buy a particular holiday. One example relates to the sale of a holiday to Paris. This was a 40th wedding anniversary holiday and the online 'brochure' provided its own description of the hotel as being close to the attractions and offered linked and selected reviews for the hotel which were 'positive'. The reality of the holiday was such that the hotel was a 40 minute metro ride to the centre of Paris, the hotel was shabby, the area in which the hotel was situated was crime-ridden with robberies committed against holidaymakers, gun-shots heard at night, adjacent buildings pock-marked with bullet holes and dire warnings from hotel staff not to venture out of the hotel in the evening. This holidaymaker and his wife suffered serious psychological fear (which was also experienced by other holidaymakers and is a continuing aspect of their lives) and they discovered the 'true' representation of reviews for the hotel and area by visiting the said travel review website. The holidaymaker accepts that they should have carried out a wider search before paying for the holiday; however, they make the valid point that the travel company, who have the requisite care and skill, proffered information through a selection of 'positive' reviews to aid the sale of the product. This experience and practice may reflect a wider practice in the manipulation of reviews (false of otherwise) which has the purpose of misleading the consumer and encouraging him into an economic activity they would not have otherwise engaged in.
Sources: Example lifted from a response to consultation for this study by a consumer organisation

The Consumer Detriment Study in the area of Dynamic Packaging, commissioned by DG SANCO in 2009, clearly highlighted the fact that problems were more likely to arise if a holiday package was purchased using the internet. The most common problems and the main sources of detriment for consumers, as identified in the study, are provisions of **incorrect, misleading or incomplete information on internet booking and review websites**. Consumer detriment in such cases implies that

services booked on the internet are, in fact, unavailable or of a lower standard than expected.

It is clear that consumers increasingly rely on review websites to collect information on the accommodation they are considering and are, therefore, more at risk of suffering financial loss or other types of detriment as a result of misleading and/or fake hotel reviews. Furthermore, consumers are likely to suffer personal detriment given the absence of an EU harmonised hotel star rating categorisation which, in turn, results in disparate quality standards, as pointed out in the study of the National Consumer Federation (NCF) on trust schemes for consumers (NCF, 2013). Consumer detriment can take several forms, as previously mentioned, and structural detriment can occur as a result of review websites' ratings. The NCF study points out that there are risks that **markets are narrowed as consumers only use a select few businesses with the highest ratings**, thus creating a self-perpetuating cycle where they only opt for the highest rated hotels in a particular area and not even trying out others that may be just as good or even better. In this context, the most used services get the most reviews and so the cycle goes on. Additionally, if the ratings and reviews are manipulated, consumers will be at greater risk of making sub-optimal choices.

A study published by Consumer Focus in 2012 entitled 'Defining and defending consumer interest in the digital age' points out that consumers sharing reviews about a particular establishment can help police the establishment's behaviour; however, establishments can use the reviews to punish customers who criticise them. This potential for exclusion is a downside of the openness offered by review websites. An example of the detriment caused by establishments punishing consumers leaving a critical review of their product or service is provided below.

Table 5-5: Example of consumer detriment as a result of a negative review
''I booked a return transfer separate from my package holiday through [MAJOR ONLINE TRAVEL RETAILER], they didn't turn up for my return trip to the airport at the end of my holiday and I was told to get a taxi, which cost €112. I complained when I got back and was told I would get a refund. In the meantime, I put a review on tripadvisor.com, just as a warning for other travellers. I was then told by [MAJOR ONLINE TRAVEL RETAILER] that because I had done this I would only get what I had paid for the transfer back (£32) and not the €112 I had spent on the taxi. I have copies of all emails etc. and a receipt from the taxi and would like some further advice on how to get my money back''.
Sources: Example lifted from a response to consultation for this study by a consumer organisation

Consumers' access to more detailed information about products and services is seen as a positive development; however, the reliance on internet review websites as trust schemes (not only review sites but schemes that claim to approve or vet businesses in some way) needs to be closely monitored. Consumer detriment generally occurs when consumers place too much trust in schemes that may or may not be worthy of that trust.   Web-based trust schemes which involve a number of intermediaries (businesses themselves and e-reputation firms) do not necessarily operate in the best interests of consumers. In the hotel sector, **the risk of consumer detriment remains high** and consumer feedback alone is unlikely to be enough to prevent it without a good quality industry code of practice for web-based trust schemes/review websites.

5.4   Sources of misleading and/or fake reviews

5.4.1 Overview

This section focusses on the identification of different sources of misleading and/or fake reviews.   The main sources of misleading and/or fake reviews have been identified as:

- consumers;

- hotel operators;

- review website operators; and

- e-reputation companies.

These sources are discussed below.

5.4.2 Consumers

Consumers themselves can be a source of misleading and/or fake reviews in a number of ways, including:

- when they have unrealistic expectations;

- when incentives have been offered to provide a review; and

- when reviews are used as a means of blackmailing hotel operators.

It is important to note that in instances where **consumers write malicious fake hotel reviews,** hotels are faced with the problem of protecting their online reputation.   Very few hotel review websites (less than 5%) offer a complaints procedure through which hotel owners can inform the website about a malicious or fake review and, even when complaints are made by hotel operators, it often takes a significant period of time (in excess of one week) for malicious content to be investigated and removed.   During this period, considerable reputational damage can be done to a hotel.   For example, in 2010, a group of hoteliers and restaurateurs in the UK threatened legal action against TripAdvisor due to the potential damage bad reviews can have on small businesses (The Telegraph, 2010).

There have been instances of consumers trying to blackmail hotels to provide "freebies" (e.g. free food and drinks) or they will write a negative review about the hotel (Sawers, 2011).   Additionally, it has been reported that some consumers **threaten to write bad reviews** in order to get an upgrade or refund unjustifiably from a hotel.   In this context, TripAdvisor has launched a system for hotels faced with blackmail from guests. Reporting a threat via the service's owner tools can supplement TripAdvisor's investigative procedure and help the company keep blackmail reviews from ever reaching the site. Owners can directly report any threat so that a flag is put against future reviews which might look suspicious. TripAdvisor has noted that although most guests do not follow through on threats, it cannot guarantee that every review under question will be removed, and therefore recommends that managers still post a response to any questionable review.

Additionally, the findings of a YouGov (USA) Omnibus study of 1,193 American online shoppers revealed that 21% of consumers who left reviews did so without buying or trying the product. Furthermore, more than 22% admitted they left a negative review because they did not like the idea of a product or service, and 19% left a bad review

because they did not like the company who made it. The study also found that a quarter of online shoppers always check reviews before making a buying decision (YouGov, 2014). A separate study estimated that 16% of reviews on Yelp are fake (Luca and Zervas, 2013). Indeed, Yelp was recently ordered by a Virginia court to provide the identities of seven anonymous reviewers who had left negative reviews for a local carpet cleaning service because the business reported that none of the reviewers have ever used the service.

Fake consumer reviews can also occur due to 'trolling' and 'digital gossip'. **Digital gossip** is increasingly affecting businesses, especially in the holiday and leisure sectors. Negative information posted online about hotels can spread worldwide within minutes. When the information is false or malicious, the hotels are powerless to correct it. Progress has been made in this respect with e-reputation companies allowing hoteliers to gather all reviews on their establishment across different websites in order to identify quickly those negative reviews which warrant a response.

5.4.3 Hotel operators

Hotel operators can also be sources of fake reviews – whether directly or indirectly. In a direct manner, hotels may post fake reviews in order to **counteract negative reviews and mitigate the impact on their online reputation and ratings systems**. For example, in the UK in 2012, a hotel chain launched an investigation into claims that a manager was encouraging staff members to post positive reviews on TripAdvisor (The Herald, 2012).

The problem of posting fake hotel reviews by hotel owners appears to be **more to the advantage of independent hotels**, especially where they are located in close proximity to rivals, as suggested in a recent working paper by the National Bureau of Economic Research. The study noted that *"the authenticity of online user reviews remains a concern, since firms have an incentive to manufacture positive reviews for their own products and negative reviews for their rivals"*. The study also questioned which types of hotels are more likely to post fake reviews; the findings were that *"the net gains from promotional reviewing are likely to be highest for independent hotels owned by single-unit owners and lowest for branded chain hotels that are owned by multi-unit owners"* (NBER, 2012).

Additionally, hotels can mislead consumers by being economical with the truth or **using misleading advertising**. Misleading hotel reviews can be as damaging as fake reviews in terms of undermining a consumer's ability to make genuine choices, i.e. being unable to make a purchasing decision based on the full facts. Consumers are also more likely to leave a negative review following their stay if they feel they have been misled by information provided by the hotel.

Indirectly, **hotels are increasingly making use of e-reputation firms to help them monitor and improve their online reputation.** Indeed, there is a strong financial incentive for hotels to improve their rankings given the link between hotels achieving a high rating on reputation management systems and bookings (TourMag.com, 2013). Although some e-reputation firms pursue a legitimate business model, others have manipulated rankings and online hotel reputation systems on behalf of clients.

In the US, e-reputation companies were found, in a federal investigation, to have offered to write fake reviews*: "the investigation revealed that SEO companies were using advanced IP spoofing techniques to hide their identities, as well as setting up*

hundreds of bogus online profiles on consumer review websites to post the reviews" (NYS AG, 2013).

Also, some hotels may try to manipulate reviews by **providing various incentives to consumers**. Recent research has found that independent hotels are more likely to engage in review manipulation than branded chain hotels, and that subsequently small owners are more likely to manipulate reviews than large hotel owners (NBER, 2012). The study also suggested that review manipulation is easier to achieve on TripAdvisor than on Expedia because anyone can post a review on TripAdvisor, but only a consumer who booked through Expedia can post a review on the website.

5.4.4 Review website operators

Review website operators can also be a source of misleading and/or fake reviews by:

- amending or deleting reviews before they are posted;

- presenting the reviews in selected ways and/or by manipulating algorithms; and

- being offered incentives to provide a review.

Some traders engage in so-called **biased moderation** through the systematic deletion of negative reviews on their websites or social media profiles. Additionally, a number of review websites reserve the right to edit reviews prior to posting; for example, by only posting one sentence of a review rather than the whole review. The potential for posting a false review in this manner is illustrated in Figure 5-6 below.
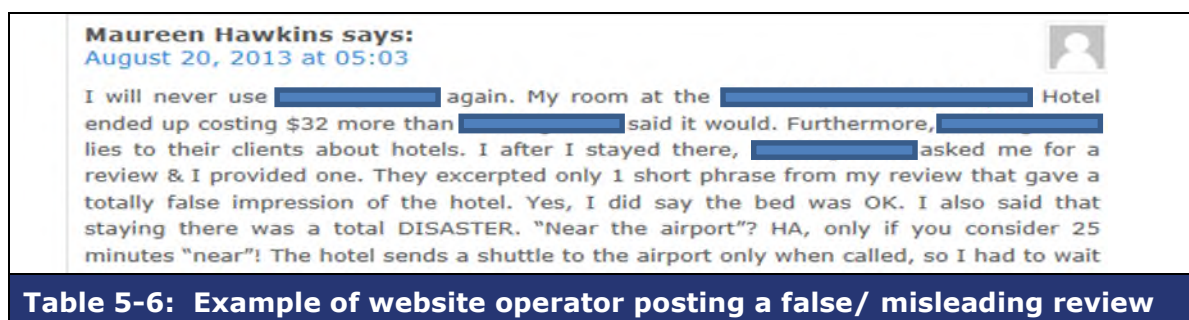

Maureen Hawkins says:
August 20, 2013 at 05:03

I will never use ▆▆▆▆ again. My room at the ▆▆▆▆▆▆▆ Hotel ended up costing $32 more than ▆▆▆▆ said it would. Furthermore,▆▆▆▆ lies to their clients about hotels. I after I stayed there, ▆▆▆▆ asked me for a review & I provided one. They excerpted only 1 short phrase from my review that gave a totally false impression of the hotel. Yes, I did say the bed was OK. I also said that staying there was a total DISASTER. "Near the airport"? HA, only if you consider 25 minutes "near"! The hotel sends a shuttle to the airport only when called, so I had to wait

Table 5-6: Example of website operator posting a false/ misleading review

Furthermore, the trustworthiness of reviews is questioned when either **incentives have been offered to provide a review or bloggers have been paid to write a review**, as there is a risk that such reviews are distorted. Not making it clear that certain content represents advertising infringes EU consumer law. However, there is a lack of awareness by bloggers and social media users about the law in this area. In order to tackle the problem of biased blogs and reviews on different websites, some national consumer authorities have produced guidance on how existing legislation should be interpreted. For example, in Norway, the Consumer Ombudsman has issued Guidelines for Bloggers on the Marketing Control Act. These guidelines highlight that under existing legal provisions, there should not be any hidden advertising on blogs and it should be fully evident to the blog's readers which content comprises paid-for advertising and which does not.

A report by the Norwegian Consumer Ombudsman assessed whether marketing on blogs was in accordance with the Norwegian Marketing Control Act (MCA). The research was incorporated into guidelines[7] and found that bloggers are often

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[7] The Consumer Ombudsman's Guidelines for Bloggers on the Marketing Control Act

approached by advertisers who want them to write favourably about their products. They are sent goods with the expectation that they will write about the product in their blogs. Sometimes the bloggers receive payment for writing certain posts; however, many different forms of commercial agreements are made between them and the advertisers. As a result of this, and in order to avoid posting false reviews, it is important that all advertising is clearly identifiable as such and that it is not disguised as the blogger's personal opinion.

5.4.5 E-reputation firms

Introduction

As demonstrated earlier in the report, hotel reviews by consumers have become an increasingly important mechanism through which consumers make purchasing decisions. In parallel with this development, hoteliers are increasingly interested in actively managing their e-reputation. Bearing in mind that there are more than 100 hotel review and listings sites, many hotels are turning to the services provided by e-reputation firms in order to better manage, improve and monitor their online reputation. E-reputation management can be defined as the practice of understanding or influencing a business's reputation. This can either be carried out directly by hotels themselves (which is common among larger hotel chains, who can invest in the development of guest feedback, monitoring and analytical tools) or by an e-reputation firm providing e-reputation management services.

Services offered by e-reputation firms

Research undertaken for this study shows that e-reputation firms generally offer a similar set of core services. These include general e-reputation management services such as PR and marketing, access to aggregation software and analytical tools to monitor online comments as well as feedback and ratings across different review sites and online booking platforms. They also commonly provide reputation dashboards and scoreboards which allow businesses to compare and benchmark their performance against competitors. A more detailed summary of the types of services that e-reputation companies provide is given in the table below. Overall, it is the case that the services of such companies are applicable to a wide range of businesses/sectors where online reviews are an important part of the consumer process before purchase. These sectors include the retail sector (sports equipment, clothes, shoes and jewellery, toys/children's products, CDs, DVDs and Books), travel sector (accommodation, package holidays), technology sector (electronic equipment including computer, phone, camera, computer software, peripherals and hardware, mobile phones and mobile phone subscriptions), the automotive sector (cars and car parts or accessories), etc.

Table 5-7: Services typically offered by e-reputation companies	
Reputation management – key concepts and services	**Description**
E-reputation management	Promoting a positive e-reputation online, marketing and PR activities, protecting brands from malicious hotel reviews through monitoring and counteracting negative reviews.
Social network analysis and	Online real-time performance management tools (including social media reporting and analytics) which enable consumer

Table 5-7: Services typically offered by e-reputation companies	
aggregation tools	reviews, guest satisfaction and ratings on online reputation systems across 100+ different review websites to be monitored through a single centralised tool. The software includes analytical tools capable of generating management information reports about a hotel's online reputation.
Reputation dashboards and scoreboards	Producing data on key performance metrics relating to a hotel's e-reputation in the form of a scoreboard using key performance indicators (KPIs). Such data draws on the aggregation tool described above e.g. uses monitoring data across multiple hotel reviews websites and social media platforms.
SEO - Search Engine Optimisation	Boosting the ranking of a hotel in search engine ratings using SEO technologies. SEO is the process of affecting the visibility of a website or a web page in a search engine's "natural" or un-paid ("organic") search results.
Semantics analysis	Frequency that particular words are mentioned in hotel reviews.

E-reputation firms and the hotel sector

Today, hotels may increasingly seek assistance from e-reputation companies in order to protect their reputation and enhance their rankings on travel websites. The latter do this by using search optimisation and through **active monitoring and promotion of positive ratings** on travel review websites (e.g. Travelopedia, Foursquare, Google Places and TripAdvisor) and on hotel booking sites (e.g. hotel.com, booking.com). It would appear that hotels engage the services of e-reputation companies not only to protect their online reputations but also to **gain access to Social Network Analysis Tools**, which would allow them to monitor online comments about their hotel automatically, rather than manually (Alainclasse, 2011). This is important due to the large number of review sites, which results in the need to protect their e-reputation in a time-efficient manner. Some e-reputation firms pursue a legitimate business model and provide a range of useful media monitoring and analytical services to hotels; however, others pursue **dubious and sometimes illegal business practices**. Some e-reputation firms have also been found to offer services and make claims on their website which are potentially questionable. Examples are shown below:

Example 1:

When it comes to making a booking, potential customers want to read positive reviews and 5 star ratings from people who have had a great time. When they read that customer had complained and doesn't like your hotel, you lose out.

We help turn everything around for you. We develop a network of positive profiles and dominate search results for your hotel. We promote you and get you extra business so when people search for you, they see what you want them to see!

Example 2:

If you are on the receiving end of these negative reviews get in touch with us and ensure round-the-clock online reputation management for your hotel. Pushing negative content below in search results is the only sure-fire way to handle comments in forums. **Removing bad comments** from forums is nothing short of a nightmare but not impossible.

However, preventing negative content from the first pages of Google results is easier and if you want our help get in touch.

Although some e-reputation firms pursue a legitimate business model, others have manipulated rankings and online hotel reputation systems on behalf of clients. There

is a danger that such e-reputation firms engage in illegal practices, such as writing fake or overly positive reviews, or writing negative reviews on competitor websites. E-reputation companies may engage in dubious or even illegal business practices under European consumer law (in particular, the Unfair Commercial Practices Directive) in order to secure a higher ranking on review websites for their clients.

The nature of the problem is demonstrated by an example from the US. A federal investigation in the US, "Operation Clean Turf", looked into the business practices of the reputation management industry and the manipulation of consumer review websites. It found that companies had flooded the internet with fake consumer reviews on websites such as Yelp, Google Local, and CitySearch. Legal actions and fines were brought against a group of 19 e-reputation firms after evidence was uncovered of the widespread manipulation of ratings and rankings (New York State Attorney General, 2013). Additionally, the problem of fake reviews is linked with the broader issue of Search Engine Optimisation (SEO) since advertisers can increase their rankings by providing a SEO specialist or a search engine directly. Several of the e-reputation firms identified for the purposes of this study also offer SEO advisory services. The "Operation Clean Turf" investigation also revealed that SEO companies were using advanced IP spoofing techniques to hide their identities, as well as setting up hundreds of bogus online profiles on consumer review websites to post the reviews" (NYS AG, 2013).

Consequently, there is concern among some stakeholders, such as HOTREC, that since boosting search rankings is a fundamental aim of SEO, e-reputation firms may assist clients in manipulating hotel rankings through their understanding as to how ratings and reputation systems work.

5.5   Problem awareness

It is important to consider the level of awareness of different stakeholders as to the **extent to which there is a problem with misleading and/or fake reviews** (and their sources). Responses to the questionnaire developed for this study shows that the largest response group in the survey consider it to be a '**growing problem**' (16 respondents, 8 national authorities/ECCs and 8 consumer organisations). Currently authorities are not much exposed to actual problems or complaints relating to misleading or fake reviews. While 13 national CPC authorities and ECCs consider misleading and/or fake reviews to be a '*minor problem*' or one involving '*isolated cases*', only three consumer organisations consider it to be such. Two industry associations and three consumer organisations/NGOs considered the problem of misleading and/or fake reviews to be a '*major problem*'.

In general, public authorities were neither aware of cases where consumers had suffered detriment (as shown in **Table 5-8** below) nor of cases where businesses had suffered from misleading and/or fake reviews (as shown in **Table 5-9**). Interestingly, the majority of industry associations had knowledge of cases where businesses had suffered from misleading and/or fake reviews, while some consumer organisations and website operators (albeit, not the majority) were aware of consumers suffering financial loss. Most stakeholders were generally unaware of sources of information pertaining to misleading and/or fake reviews (or of any associated problems) (**see Table 5-10**).

Table 5-8: Responses to the question: Are you aware of cases where consumers have suffered financial loss or other damage as a result of misleading and/or false hotel reviews?				
Stakeholder Group	**Authorities and ECC**	**Consumer Orgs**	**Website Operators**	**Industry Associations**
Number of Responses	**31**	**17**	**7**	**5**
Yes	10%	35%	29%	0%
No	**87%**	**65%**	**71%**	**80%**
Not applicable	3%	0%	0%	20%

Table 5-9: Responses to the question: Are you aware of cases where businesses have suffered financial loss or other damage as a result of misleading and/or false hotel reviews?				
Stakeholder Group	**Authorities and ECC**	**Consumer Orgs**	**Website Operators**	**Industry Associations**
Number of Responses	**31**	**17**	**7**	**5**
Yes	3%	12%	14%	**80%**
No	**90%**	**65%**	**86%**	**20%**
Not applicable	7%	23%	0%	0%

Table 5-10: Responses to the question: Are you aware of any data (or studies) relating to misleading and/or false hotel reviews and/or problems arising from these?			
Stakeholder Group	**Authorities and ECC**	**Consumer Orgs**	**Industry Associations**
Number of Responses	**31**	**17**	**5**
Yes	13%	29%	40%
No	**84%**	**71%**	**60%**
Not applicable	3%	0%	0%

Section 5.4 discussed the growing role of e-reputation companies and the concerns that some unscrupulous ones may be engaging in illegal practices such as writing fake or overly positive reviews, or writing negative reviews on competitor websites. Figure 5-4 shows clearly that there is very **limited knowledge amongst consumer organisations and public authorities** regarding the activities of these organisations. On the contrary, there appears to be widespread knowledge of their activities amongst industry associations.

FIGURE 5-4: RESPONSES TO QUESTION: ARE YOU AWARE OF E-REPUTATION COMPANIES?
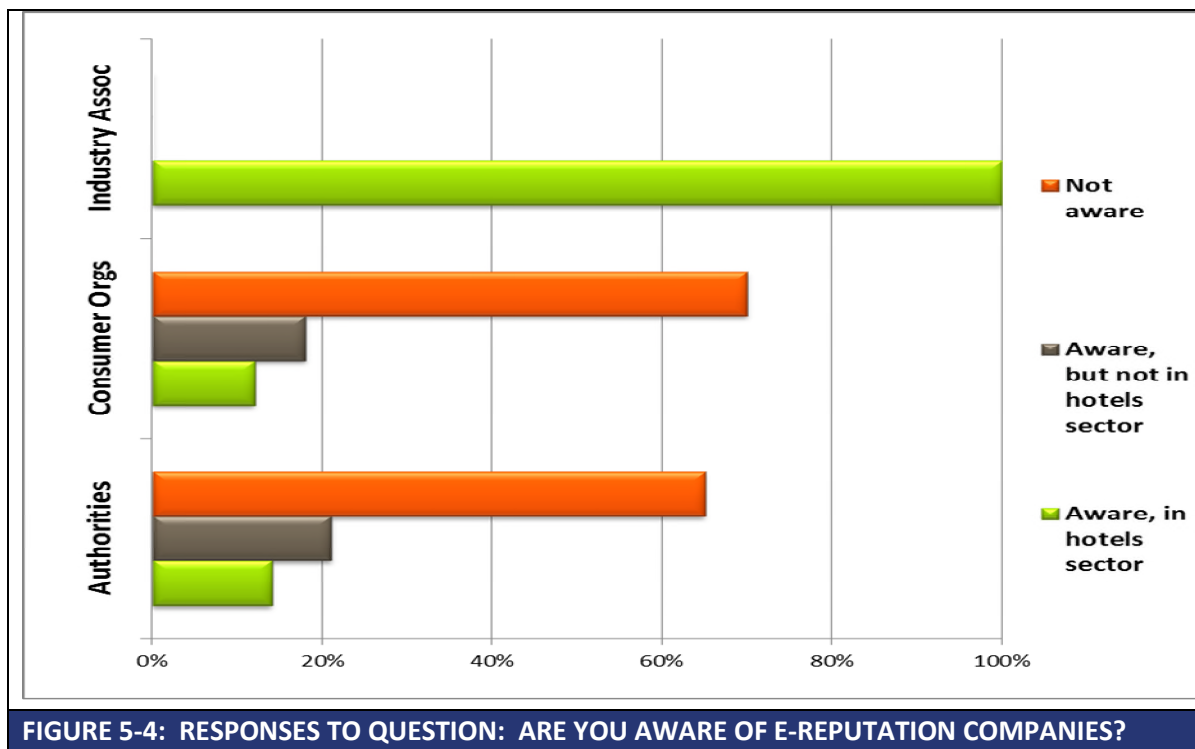
5.6   Summary of key findings

Research undertaken in this study shows that there appears to be a lack of transparency as to how aggregate hotel ratings systems work and the extent to which ratings are based on genuine hotel reviews. Indeed, there appear to be higher average reviews on some consumer review platforms than others (for the same hotel) and this risks undermining the integrity and comparability of different ranking systems and may confuse consumers. There is also an issue around the trustworthiness of reputation scores based on guest feedback on hotel review websites. Indeed, the manipulation of reputation and ratings systems is linked with the broader issue of the manipulation of search results through Search Engine Optimisation (SEO), which affects the visibility of a website or a web page in a search engine's "natural" or un-paid ("organic") positions. HOTREC (European Hospitality Industry Association) has stated that it is important that consumers are able to assess the results of online search inquiries based on clear and transparent search results. It is especially important to make clear what is behind the 'best deals' or similar formula, as often companies paying extra fees are ranked higher in search results (HOTREC, 2013).

Research undertaken for this study shows that misleading and/or fake hotel reviews come from four main sources:

▪ **Consumers**: This could be done intentionally (e.g. when reviews are used as a means of blackmailing or punishing hotel operators), for self-gain (e.g. when incentives are offered to them to provide a review or to satisfy a pseudo-online expert status acquired from providing reviews) or in misconception (e.g. when consumers have unrealistic expectations or anger over a service they expected).

- **Hotel operators**: This could be done directly (for example, hotels may sometimes post fake reviews to counteract negative reviews about their service and to mitigate the impact of online reputation and ratings systems) or indirectly (e.g. by engaging unscrupulous e-reputation agencies to write fake reviews or by providing various incentives to consumers such as discount on rate, meals or drinks, service vouchers or other gifts to provide a positive or more favourable review).

- **Review website operators**: This could be done in different ways, for instance, through: systematic deletion of negative reviews – or other manipulation of reviews - on their websites or social media profiles; by presenting the reviews in selected ways that can mislead a consumer; by manipulating algorithms and software; or for instance, by not declaring when they have been paid to write a review.

- **E-reputation companies**: These companies aim to assist businesses with managing their online reputation in a number of ways, where this may involve actions to promote and increase the visibility of positive reviews or to move negative comments and reviews down search engines. Some e-reputation companies have been known to manipulate the presence and visibility of consumer reviews which can be found on review websites.

In order to quantify the scale of consumer detriment, some indication of the scale of the problem of misleading and/or fake reviews would be required. Unfortunately, there is no comprehensive data of the scale of the problem encountered by consumers. It is, however, clear that consumers increasingly rely on review websites to collect information on the accommodation they are considering and are, therefore, more at risk of suffering financial loss or other types of detriment as a result of misleading and/or fake hotel reviews. More worryingly, if the ratings and reviews are manipulated, consumers will be at greater risk of making sub-optimal choices which result in additional detriment.

The study also considered the level of awareness of different stakeholders as to the extent to which there is a problem with misleading and/or fake reviews (and their sources). Responses to the questionnaire developed for this study shows that the largest response group in the survey consider it to be a 'growing problem' (16 respondents, 8 national authorities/ECCs and 8 consumer organisations). Currently, public authorities are not directly exposed to actual problems or complaints relating to misleading or fake reviews and there is very limited knowledge amongst consumer organisations and public authorities regarding the activities of e-reputation organisations. On the other hand, industry associations generally had knowledge of cases where businesses had suffered from misleading and/or fake reviews and the use of e-reputation organisations by hotel operators, while consumer organisations tended to be aware of consumers suffering financial loss.

6. Measures taken to address misleading and/or fake reviews

6.1 Introduction

This Section describes actions that have been taken by various stakeholders to address the issue of misleading and/or fake reviews. For this, we have reviewed various sources of information including:

- the websites of online booking and review platforms in order to obtain contextual information on the various types of verification and authentication mechanisms which are available across EU countries;
- existing studies, reports and guides about the hotel market written and/or promoted by consumer agencies, industry associations and professionals, etc.
- information on enforcement activities and related background material linked to online reviews
- information from stakeholders collected through the stakeholder questionnaire developed for this study.

The sections below discuss specific measures taken by:

- **review website operators** to ensure verification and authentication of online reviews (Section 6.2);
- **industry associations** with respect to online customer reviews (Section 6.3);
- **public authorities and/consumer associations** (Section 6.4); and
- **organisations in non-EU countries** (Section 6.5).

These are discussed in detail below.

6.2 Measures by the review website operators

Review website operators have put in place a range of verification and authentication measures to prevent misleading and/or fake reviews. These measures include:

- **Identity-based verification** – This approach relies on limiting reviews to consumers who are able to provide evidence of their identity and of having made a hotel reservation. For instance, on some websites, users are required to provide various information which can be used to identify them (e.g. full name, date of birth, location; etc.) before they can post reviews. This approach works on the principle that the more identifying information a user has to provide, the less likely it is that the information will be fake/false. Other websites also require proof that the consumer has stayed at the particular hotel in question before he/she can write a review.
- **Verification using technical measures** – This approach relies on active checking by review website operators of details provided by consumers writing reviews. Such measures could include: verification of valid e-mail address before posting a

review, checking of the IP address of reviewers, creating links to the reviewers' other online activities (e.g. on Facebook, credit cards, etc.).

▪ **Verification using detection and filtering systems** – This approach relies on dedicated software and text-based algorithms as a means of screening content to identify misleading and/or fake reviews. Some review websites use screening software which incorporates automatic textual analysis using algorithms and other filtering systems to detect and eliminate fake reviews. However, hotel review websites are reluctant to make the details publicly available since this could leave them open to security vulnerabilities. A project by researchers at Cornell University in the U.S claims to have developed an algorithm able to spot a fake review 90% of the time (ReviewSkeptic).

▪ **Verification by editors** – This approach relies on employed individuals/experts, investigators and editorial teams to screen reviews for suspicious content. For some websites, this method is used to complement other approaches, while for others this is the main and only method used. A variation on this form of verification involves the use of 'verified reviews' or 'certified reviewers'. At their most basic, verified reviews indicate that the review platform has taken some steps to cross-check the identity of the reviewer and/or that the reviewer actually purchased the product being reviewed. During the website checking, it was noted that only 20% of websites stated clearly that "only verified reviews will be published" and only 2% of websites allow for sorting of reviews by "verified reviews". For 'certified reviewers', some organisations try to cultivate relationships with these consumers who are most active in providing online reviews as a way of ensuring that they (as reviewers) recognise the importance of their role/position online. It has, however, been queried the extent to which reviews posted by these "hyperactive reviewers" actually reflects the reality of the situation in the hotels they claim to be reviewing.

▪ **Verification by third parties** – This approach relies on an independent rating system for review sites. The rating is provided by third-party websites which assign either a star or a numerical score to review websites based on specific criteria, such as extent of identification and verification of the reviewer and the purchase, as well as on customers' feedback of their experience with the review website. Although the ratings can be challenged, many review websites publicize their independently-derived rating, which shows the increasing importance of this approach.

▪ **Verification by the service provider** – This approach provides the hotel operator with the possibility to verify whether consumers providing reviews actually stayed at the hotel.

In addition to the above, there are also **content moderation policies**, where these are the terms and usage conditions of website platforms which often specify that misleading and/or fake reviews will be removed and that hotels found to have produced such reviews may be banned from the site in the future. Content moderation policies for online hotel review platforms help to ensure that users and businesses have a clear understanding of the circumstances in which online consumer reviews will be moderated or, in the case of misleading and/or fake reviews, removed.

More generally, it is important to note (as highlighted in discussions at the 2014 European Consumer Summit seminar Trust Online) that the reality is that new entrants into the review market do not have the resources (or in some cases, incentive) to focus on weeding out fake reviews. While verification and authentication software are becoming more affordable, it is likely that the **introduction of advanced authentication and verification mechanisms** will occur when a review website is more established. It was also indicated that, while advances in technology have made it possible to identify certain types of fake reviews more easily (e.g. those

posted from a specific IP address, a sudden increase in reviews compared with previous months or years, etc.), the **more sophisticated sources of fake reviews** (e.g. providing various incentives to consumers such as discount on rate, meals or drinks, service vouchers or other gifts to provide a positive or more favourable review) are still difficult to address. That said, some more explicit sources of fake reviews need to be addressed (e.g. www.buyareview.com), although the location of such websites (e.g. offshore) may prove to be challenging.

The website checking exercise also showed that a number of website operators appear to provide **specific guidance** to their employees regarding how reviews are to be managed and published.

FIGURE 6-1: PROVISION OF GUIDANCE TO EMPLOYEES
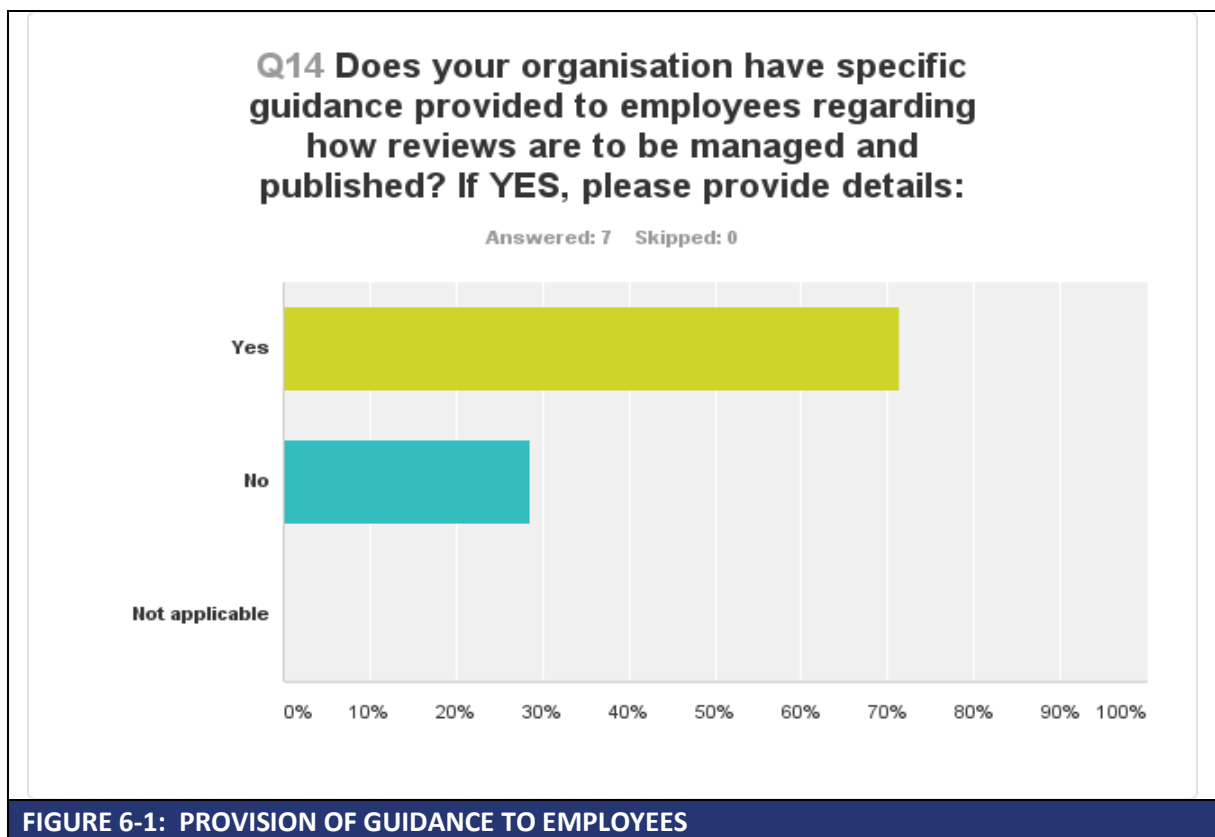
Figure 6-2 indicates the responses of website operators consulted during the study as to their intentions to improve approaches to verifying certain information related to online consumer reviews. It appears that, for some of them, this is a constant process. As stated by one website operator, it is *"constantly updating its content integrity tools and processes, and regularly considers new approaches to ensuring the accuracy of the information users post to the website"*. Another noted that, as any one single approach (even if transaction-based) can be compromised, review websites that **successfully combat spam rely on a more comprehensive approach** (i.e. a combination of measures).

FIGURE 6-2: PLANS TO IMPROVING VERIFICATION APPROACHES
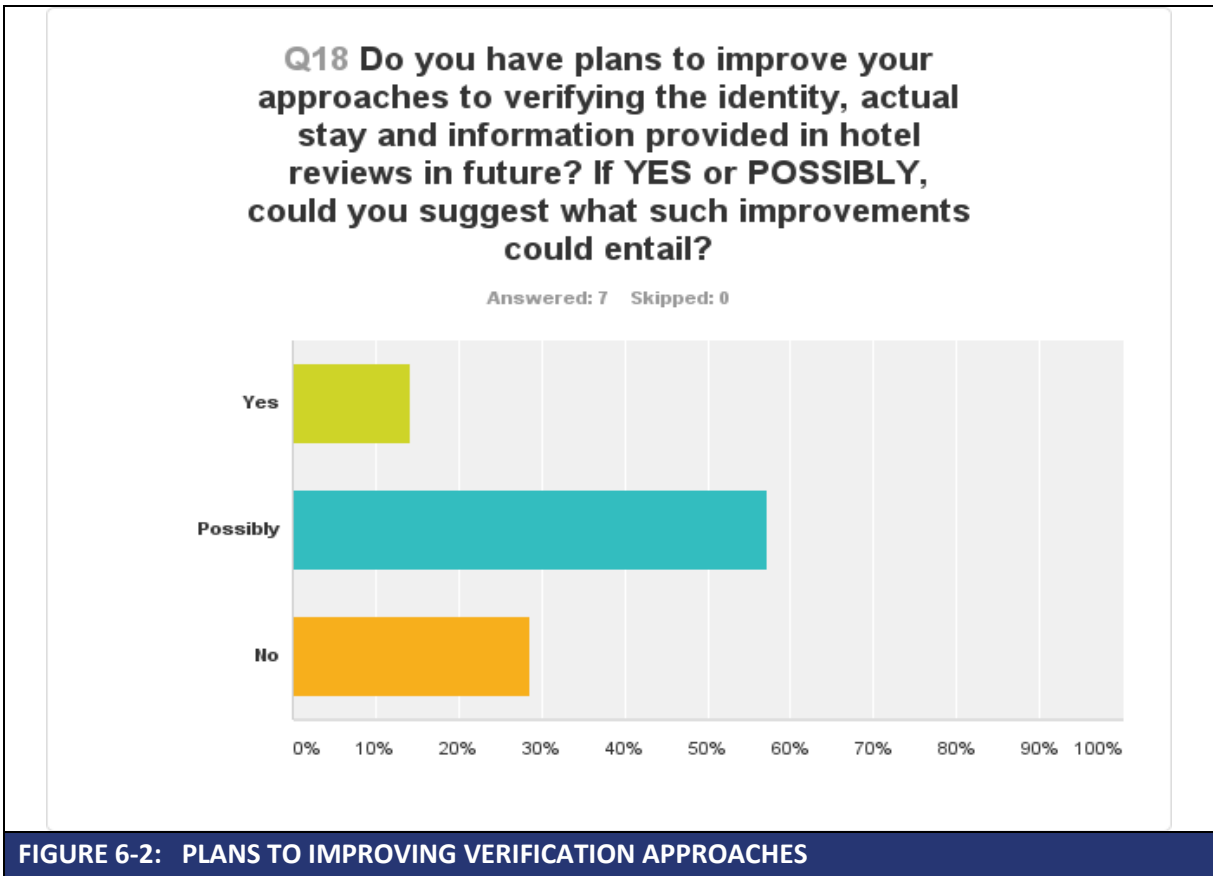
The Table overleaf summarises the measures taken by review website operators to ensure verification and authentication of the consumer reviews and briefly describes their strengths and weaknesses as well as the extent to which they have been adopted.

Table 6-1: Summary of verification and authentication mechanisms				
	Types of verification and authentication mechanisms	**Strengths**	**Weaknesses**	**Extent to which the measure is adopted**
1	**Identification-based verification** – This approach relies on limiting reviews to consumers who are able to provide evidence of having made a hotel reservation (e.g. a booking receipt).	This approach provides a means of confirming the **identity** of consumers providing reviews as well as a probability based approach to confirming **actual stay** at the hotel.	This approach does not, however, provide definitive proof of **actual stay** at the hotel (i.e. consumers who have made a booking but did not stay in the hotel*) and does not address any issues relating to verifying the **accuracy of information** provided. It has also been noted that it is technically impossible to verify a consumer's stay due to the fact that a credit card transaction does not always provide irrefutable proof (e.g. a false transaction may have been generated by the hotel itself). It is a somewhat passive approach, compared to technical verification (below).	Judging by the findings of the website checking exercise, this type of approach is used by around a quarter of review websites. It can be found predominantly in hotel booking and review websites – and certainly not in social media, blogs and/or online forum. These review websites would typically e-mail customers who have booked a reservation through the website. Without an email link, it is not possible to post a review. An example of this form of verification can be found on Expedia which states that: "*We only allow verified guests of the hotel to leave reviews of your hotel. The guest must log in to their Expedia account to verify their booking before they can leave a hotel review. Customers are allowed six months after returning from their trip to write a review*".

| 2 | **Technical verification by review website operator** – This approach relies on active checking by review website operators of details provided by consumers writing reviews. Such measures could include: verification of valid e-mail address before posting a review, checking of the IP address, creating links to the reviewers' other online activities (e.g. on Facebook, credit cards, etc.) | Depending on the specific technical verification undertaken, this approach provides a robust way of confirming the **identity** of consumers writing reviews, as well as a probability based approach to checking the **accuracy of information** provided (e.g. IP address can be useful for checking multiple postings, as well as verifying the location of posters relative to their holiday location.) This type of verification also relies on the fact that people will tend to trust reviews written by family, friends and people they are aware of (i.e. a kind of group verification). | This approach does not, however, provide definitive proof of **actual stay** at the hotel. Some measures under this category can also present issues for consumers regarding privacy and anonymity. | This type of approach can be found on various review websites. For example, Pricerunner in particular verifies IPs and email addresses, if needed *(and dealers need to have Pricerunner's permission to contact a consumer who made a review).* Another approach by TripAdvisor allows consumers to use their Facebook account to see reviews posted by their 'friends', thus allowing for some degree of authentication. To expand the number of reviews, it is also possible to see reviews from friends of friends (although these are anonymous). For example, a man providing fake reviews anonymously for his own hotels was caught out when Facebook was integrated into TripAdvisor.[1] In some websites, consumers are advised to avoid accounts of people providing 'single' reviews; they are to click on a user's profile on review websites to get an indication of which other reviews the user has written. TripAdvisor has also recently partnered with Amex, whereby members can link their American Express cards to their Trip Advisor account. This has been initially launched in the United States, Australia and the United Kingdom. Reviews will be marked as an 'Amex Card Member Review'. Note that TripAdvisor insists this is not a means of authenticating reviews; rather, it is intended to add value to the site's content (Boston Globe website, 2013). |

| 3 | **Verification by reservation provider** – This approach provides hotels with the possibility to verify whether consumers providing reviews actually stayed at the hotel. | This approach provides a robust way of confirming the consumer's **identity** and **actual stay** at the hotel and also provides the hotel with an (indirect) opportunity to check the **accuracy of information** provided. | This approach does not, however, provide definitive proof of **actual stay** at the hotel (i.e. consumers who have made a booking, but did not stay in the hotel*) and does not address any issues relating to verifying the **accuracy of information** provided. *Some concerns that this approach could lead to "hounding" or "online bickering" between hotel operators and consumers that provided negative reviews (Yelp)* | While this approach does not appear to be widely adopted (judging by the findings of the website checking exercise), there are review platforms which operate in this way. For instance, the HotelMe website allows registered hotels to verify whether a review writer stayed at the hotel, regardless of where they booked the room (The Verge, nd). Reviews are then marked as "RealStay" or "unverified", depending on whether the stay has been verified or not. |
| 4 | **The use of software and algorithms** – these tend to be developed and implemented by specific website platforms | A high degree of automation ensures that the same criteria are applied consistently throughout the review verification process. It is also capable of handling a large number of reviews, whereas reliance on a human team would slow down the process. | Although consumers are generally in favour of such activities, they do not always consider that this guarantees the reviews are genuine. | Yelp relies almost entirely on its own software for verifying the authenticity of reviews. It marks those determined to be authentic as "recommended" and places them on top of the list.

Review Skeptic is a website dedicated entirely to checking the authenticity of reviews. Based on research from Cornell University in the US, it uses machine learning to identify fake reviews and claims to be 90% accurate. Users paste the text of the review in the box provided and click on the 'Test It' button. The analysis is displayed in blue (indicating truth) and red (indicating deception) colours and uses size to indicate importance. A final result comes out as 'Truthful' or presumably 'Deceptive'. |

5	**The use of investigators** – these are employed individuals who screen reviews for suspicious content.	This approach offers some degree of robustness due to the human element employed.	However, this approach cannot be employed on a large-scale basis to handle large volumes of reviews.	A significant number of website operators employ this approach to a certain extent. It seems that teams of editors are a complementary, rather than primary, means of verifying the authenticity of reviews. The website checking exercise revealed that investigators are used to screen reviews randomly and/or when a particular review (or a string of reviews) looks suspicious.
6	**Independent rating system for review sites**	A key advantage of this approach is the impartiality and transparency which it provides, as there is, in theory, no vested interest on the part of the rating system to increase the traffic of the rated website. Rather, the focus is on improving the customer experience by providing accurate information.	Independent rating systems like TrustPilot still depend on consumer feedback which may not always be a true reflection of the situation; however, it would affect the rating.	KwikChex, a reputation management company, has devised a rating system for review sites. Five stars are awarded to sites where reviewers are identified and the purchase of a product or service is verified and, conversely, one star is awarded to sites which have little means to authenticate reviews (Tnooz, nd). Companies are able to challenge the ratings. TrustPilot is a community-driven review platform where customers can leave reviews regarding their experiences on any e-commerce website. It also rates websites according to the customer feedback received. Many hotel booking/review platforms state their TrustPilot rating on their websites (e.g. HotelClub, Hotelsclick), likely because it engenders trust and subsequently, increased traffic.

6.3   Measures by industry associations

6.3.1 HOTREC

HOTREC is the European association for the hotel industry and has been active in the area of online reviews in a number of ways. One example is by developing principles relating to travel review websites in 2012.   After being enhanced through consultations with web portals, the principles were published in a position paper and have now become part of the HOTREC benchmarks of fair practices in online distribution.

The principles cover two main aspects. One is fair online practices on the part of online distribution platforms in offering hotel listings and reservations. The other is appropriate and adequate handling of guest reviews in order to prevent manipulation and fraud. With regard to the latter, the principles cover several important features which have presented issues for both website platforms and consumers alike. One is the verification of the authenticity, reliability and legality of the reviews.   The principles state that website platforms should ensure the reviews are provided by actual guests who have stayed at the hotel. In addition, they should ensure that the information displayed online – both in the hotel/rate description and the consumer review – is correct and up-to-date. The principles also place importance on legal certainty.   In other words, reviews should be truthful and based on consumers' personal experiences. It is noted that hoteliers have a legal right to protection against defamatory statements and that reviewers should be informed of this right accordingly.   To this end, website platforms should remove false factual statements quickly and efficiently.

Importantly, the principles state that hoteliers should have a right to reply to a review, be it positive or negative, and thus react to it. This would ensure that potential complaints from guests are addressed adequately. In addition, it would also ensure that two-way communication between the consumer and the hotel exists – an aspect which is essential for the development of trust. As noted by Testntrust, the trust between two players is based on having an effective communication exchange and the possibility of improvement of an offer (i.e. product or service).

Other important features of the HOTREC principles include the anonymity and quality of online reviews as well as the editorial control over them. Although reviews may appear anonymously on the web platform, the website operator should have access to and verify the consumer's contact details, such as e-mail address. In addition, in order to ensure quality, the website operator should indicate the origin of the reviews, i.e. whether they originated from a third party website or were posted directly on their own website. This is essential as it gives readers and hoteliers the ability to trace back the review and thus assess its truthfulness. Importantly, the principles state that editorial control by qualified staff should be exercised and only verified reviews should be published.   This control would aim to ensure the "*authenticity, reliability and legality of the entry*" (HOTREC, 2012).

Some of the aspects outlined by HOTREC (e.g. right to reply, ability of the website operator to contact the consumer) are also present in the French standard, Norme NF Z74-501, discussed in Section 6.4. A key strength of the principles is that they have been developed by industry professionals with specific experience in this field. As such, they contain precise and targeted recommendations which are very relevant for online distribution platforms in both the listing/reservation aspect and the review

aspect of the hotel business. For example, they recommend an 'expiration date' for reviews. Currently, very few website platforms make clear the 'age' of the consumer reviews. Many are left online for long periods of time (e.g. over 3 years), during which it is more than likely that the hotel has experienced changes in management, refurbishing or even ownership. As such, an old review would also be a misleading review. HOTREC recommends that reviews be automatically deleted after two years and thus no longer influence the hotel rating.

One weakness of the HOTREC principles is that they are voluntary by nature and, as such, are simply recommendations for best practices rather than mandatory obligations which the relevant businesses must adopt. As a result, it is not clear to what extent the principles have been taken up by industry and whether they comply with certain aspects more than with others. In fact, consultations with a HOTREC representative suggest that there has not been widespread adoption by the industry, despite the involvement of key industry players in its development. One possible reason for this may be the result of the business models being employed by companies; in other words, while industry may agree with the principles in general, it may not find it as easy to implement them in practice. A possibility here may be for HOTREC to offer a visible certification or 'stamp' to website platforms which operate according to the principles. This would improve the online image or reputation of the website and would thus increase consumers' trust in it.

6.4 Measures by public authorities and consumer associations

6.4.1 Overview

Section 5.5 of this report showed that there is as yet limited awareness among national authorities, ECCs and consumer associations regarding misleading or fake online reviews. Overall, it is not surprising that this relatively low level of awareness of the problems relating to misleading and/or fake reviews is somewhat reflected in the extent to which measures have been taken by different stakeholders to address misleading and/or fake reviews.

As can be seen from the **Table 6-2** below, consumer organisations and industry associations appear to have taken more action to protect consumers from misleading and/or fake reviews. Interestingly, very little specific action has been taken against businesses that may be involved in misleading and/or fake reviews (see **Table 6-3**) – although a number of authorities and consumer organisations are aware of breaches of legislation (See **Table 6-4**).

Table 6-2: Responses to the question: Has your organisation taken any specific actions to protect consumers from being misled by fake reviews (e.g. awareness campaigns, publishing guidance to businesses on how reviews are to be managed, etc.)?			
Stakeholder Group	**Authorities and ECC**	**Consumer Orgs**	**Industry Associations**
Number of Responses	**31**	**17**	**5**
Yes	13%	47%	60%
No	84%	53%	40%
Not applicable	3%	0%	0%

Table 6-3: Responses to the question: Has your organisation taken any specific actions against businesses to address the problem of fake hotel reviews?		
Stakeholder Group	**Authorities and ECC**	**Consumer Orgs**
Number of Responses	**31**	**17**
Yes	6%	12%
No	**88%**	**88%**
Not applicable	6%	0%

Table 6-4: Responses to the question: Did your action concern (or are you aware of) breaches of EU legislation relating to misleading and/or fake reviews?		
Stakeholder Group	**Authorities and ECC**	**Consumer Orgs**
Number of Responses	**20**	**16**
No	**85%**	**63%**
Yes – Directive 2005/29/EC on Unfair Commercial Practices	10%	31%
Yes – Directive 2006/114/EC on Misleading and Comparative Advertising	5%	6%
Yes – Other	0%	0%

This part of the report describes measures that have been taken in various European Countries in relation to misleading or fake online reviews.

6.4.2 France

Background

In France, the authorities had been aware of several specific aspects related to the issue of fake and/or misleading reviews, namely fake reviews written by companies, biased moderation by websites and content generated by fake users. In addition, there had been **complaints** by French hoteliers about possible links between a hotel booking website and a hotel review website. The relevant French authorities fined a company operating hotel booking websites and seven of its subsidiaries for breach of the rules on unfair commercial practices. The websites claimed to provide a comparison between best offers and availability when in fact they steered bookings towards 'partner hotels' to the detriment of 'non-partner hotels'[8] (Legalis, 2011).

The French authorities undertook an **investigation** of 172 websites and several thousands of online consumer reviews in several sectors. The check commenced at the end of 2010 and was completed in February 2013. It found that the publication of fake *positive* reviews is an increasing trend, with biased moderation (systematic

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8   Tribunal de Commerce, 4 October 2011, Synhorcat et autres / Expedia et autres.

deletion of negative reviews) and the development of e-reputation companies as the two main drivers behind the trend. The latter are said to have writing knowledge, fake identities and technical expertise in hiding the origin of massive publications, e.g. remunerated blogs. In terms of **sanctions**, the check resulted in the issuance of 13 administrative orders for misleading commercial practices as well as 6 administrative warnings (DGCCRF, nd). The action by the authorities resulted in a reaction by industry. It appears that the foreign-based companies offering online hotel bookings in France proceeded to modify the information published on their websites aimed at French consumers. In addition, it appears that bloggers launched online discussions on the problem, especially as it pertains to remuneration received for posting comments (i.e. 'sponsored reviews') (DGCCRF, nd).

Overall, there appeared to be a general lack of confidence among French consumers in the trustworthiness of online reviews. Despite the fact that 9 out of 10 read online reviews and 89% rate the reviews as "useful" or "very useful", three quarters of French consumers believed that fake reviews were among those posted online (AFNOR, 2013).

AFNOR Voluntary standard

Voluntary standards provide a common set of good principles and requirements which businesses can adhere to in carrying out their operations. Standards typically require the involvement of a third-party organisation, besides the organisation aiming for certification.

As regards online reviews, the organisation AFNOR, which is the French representative of the International Organisation for Standardisation (ISO), developed a relevant standard. Norme NF Z74-501 was published in July 2013, in collaboration with Testntrust – a French website for product reviews. It is the **first measure of its kind** aimed specifically at improving the trustworthiness and reliability of online reviews.

The objectives of the Standard are to prevent abuse and to provide a reliable signal which in turn would increase consumer confidence, enhance the image of companies which abide by it and improve the reputation of e-commerce. It is a **voluntary standard**; website operators are free to adopt it and take the necessary steps to align their online practices accordingly. In addition, they can **declare their compliance publicly** (i.e. on their website), in which case they must be able to provide proof of compliance, if required. If website operators wish to prove their compliance with the Standard to their customers, **AFNOR verifies and certifies** this within a few months (Testntrust, 2013).

Norme NF Z74-501 is based on common sense, but important principles, such as it being forbidden to pay for consumer reviews to ensure impartiality, the need to identify and verify the author of the consumer review (although the author can be anonymised once authenticated), the need for consumers to demonstrate that they have actually purchased the goods or services they are reviewing, etc. The Standard contains a set of principles and requirements relating to the collection, moderation and display of online information.

- The **collection aspect** focusses on how review websites should obtain consumer reviews in a manner that is objective and verifiable. The core principles and requirements for collection include, among others, the identification of the reviewer, the description of a true consumer experience in an inconspicuous and uniform way, and the verification of the described experience. Although the Standard allows for

the consumer providing reviews to remain anonymous in the publication, he/she must provide contact details to the website operator. The Standard does not allow for the purchase or exchange of payment for reviews.

▪ The **moderation aspect** focusses on how review websites are to act so as to ensure compliance of the collected content with relevant French legislation. It also deals with aspects which are to be contained in the Terms and Conditions of the review website relating to the publishing, rejecting or removing of content (i.e. reviews provided by consumers).   The core principles and requirements of the Standard require that the moderation process be uniform for all reviews and applied systematically. The modification of reviews provided by consumers is not allowed; however, the consumer has a right to withdraw them. If a review is rejected by the website operator (i.e. not published), the reasons for the rejection must be according to those listed in the website's Terms and Conditions. In addition, the moderator must speak the language in which the review was written.

▪ The **display aspect** focusses on the classification, sorting and aggregation of consumer reviews after their collation and moderation.   Its core principles and requirements state that reviews must be posted (by default) in chronological order; however, other ways of sorting can be offered by the website. It is important to note that an alternative way of sorting reviews according to the *documentary evidence* provided by the consumer is also allowed. In this case, it is expected that reviews containing ample and adequate evidence will be posted first.

According to the AFNOR website, 43 hotels have already adopted this voluntary norm. In addition, consultations with an AFNOR representative indicated that several website operators have also been certified by the organisation as compliant with the Standard. It must also be noted that **AFNOR has put forward a proposal to ISO** for the creation of a Technical Committee on Online Reputation with the goal of adopting common rules and developing appropriate tools and processes in order to ensure open and fair competition in the e-commerce domain, especially as it impacts consumers' confidence in social media and other online distribution channels. At the time of writing of this report, the proposal is still under consideration by ISO. It has been indicated by AFNOR that a decision is expected in June 2014 (pers. comm.).

Awareness raising

The Direction générale de la concurrence, de la consommation et de la répression des fraudes (DGCCRF) organised a workshop in 2013 entitled "Alternative modes of consumer information". It served as an information campaign focussing on all online consumer reviews and not just those in the hotel sector. It included discussions on the new channels of information for consumers, such as where and how to get informed online, what criteria to use, and how to assess the quality of online information sources. Importantly, it looked into the role of price comparison websites and the developments in detecting fake consumer reviews online.[9]

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[9] Details on the workshop can be found on the DGCCRF's website:
http://www.economie.gouv.fr/dgccrf/atelier-dgccrf-modes-alternatifs-dinformation-consommateur

6.4.3 Germany

Background

In combatting misleading and/or fake reviews, the **Federation of German Consumer Organisations (VZBV)** has taken a more comprehensive approach by focusing both on consumers and website operators and developing a set of **checklists** and **recommendations**. The two checklists are aimed at consumers in helping them deal with online reviews properly as well as recognize misleading and/or fake reviews. The recommendations are aimed at website operators in helping them design effective evaluation platforms and eliminate fake reviews. The materials have been developed as part of the project "Consumer Rights in the Digital World" which offers guidance to consumers on a number of topics, including online information, data protection, and copyright law.

Stiftung Warentest, a German consumer organisation which investigates and compares goods and services, has also taken action in the domain of online hotel reviews. As part of its mandate, and possibly due to the rising popularity of online consumer reviews in the travel sector, it undertook **three separate investigations** of hotel review websites and published the results of its findings. The action was warranted by the noted extreme differences in the contents of the reviews, which raised questions as to their authenticity. Therefore, the goal was to assess the ability of hotel review websites to detect and deal with fake reviews.

Recommendations for website operators

In 2012, the VZBV developed specific recommendations for review website operators to assist them in **designing the online platform and in combatting misleading and/or fake reviews[10]**. In terms of design, it encourages a simple and clear layout which makes it easy for consumers to use the website. In addition, it recommends including information on data protection, providing forms with relevant factual criteria and free comment fields complementing the basic star- or point-based assessment. Importantly, the VZBV lists **four essential aspects** which website operators should incorporate into their platforms. One is an explanation of their valuation methods used to arrive at the final hotel rating/ranking. Another is the possibility for counter-commentary (i.e. response) on part of the hotel. The last two pertain specifically to consumers – they should be able to review only the products/services they have purchased and may submit only one review for a specific product/service. It must be noted that many of the aspects emphasized by the VZBV are also contained in the French standard – Norme Z74-501. This indicates that, although the two documents were developed independently, they refer to uniform best practices which are valid for all website operators regardless of the origin or location of their platform.

For combatting misleading and/or fake reviews, the VZBV recommends employing both technological and human means. First of all, it states that review platform operators should check whether the hotel or other reviewed business really exists. It appears that, in 2012, a German magazine reported that certain review platforms included reviews of **non-existing hotels** (pers. comm.). It is likely that this finding led to this specific recommendation. In terms of technology, it advises website operators to **develop and implement IT systems** which detect misleading and/or

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[10] http://www.surfer-haben-rechte.de/cps/rde/xchg/digitalrechte/hs.xsl/2421.htm#tba2455

fake reviews automatically based on factors such as a sudden spike in their number, unusual formulations, multiple reviews from the same IP address and drastic changes in the content of reviews (e.g. previously negative/bad scores or features turning into positive/good scores and features). The VZBV also advises that **ratings are subjected to a preliminary examination** by employees, although it acknowledges that this may only be feasible to a certain extent. Lastly, it recommends that website operators provide a contact address for reporting potential abuse.

It must be noted that there is no legal obligation for website operators to implement the recommendations, and as a consumer organisation, the VZBV has therefore no legal power to enforce or mandate the adoption of its recommendations. They serve mostly as advice and best-practice guide to review website operators.

Awareness raising

The **first checklist** developed by VZBV is aimed specifically at **helping consumers to recognize fake reviews**. To this end, it lists a number of factors to look out for when reading reviews. One is the language, and more specifically, technical terms as they are much more likely to be used by the company offering the product/service or by marketing experts. Another factor is extremely positive reviews as superlatives and exaggerations are much more likely to be fake. It is noted that genuine reviews are normally balanced and detailed and list both the advantages and disadvantages of the hotel. Photos and/or vivid descriptions are also listed as measures of a genuine review as they provide proof that the consumer is indeed describing his/her own experiences.

In addition, the checklist advises consumers to use multiple review sites as this will not only help them acquire a balanced impression of the product/ service but will also assist them in spotting identical reviews on different platforms. Clearly, if the same evaluation is posted on several different review sites, the chances are that it is fake. Importantly, the checklist points out that the ability to sort by date may actually serve to facilitate potential manipulation. This is because, when a series of negative reviews is followed by a rapid increase in positive reviews, consumers sorting by 'most recent' reviews will only see the positive ones, which are likely to have been written to counteract the effect of the negative ones. In general, consumers are advised to contact the website operator if they identify fake reviews or to contact the company/hotel directly if they are unsure of the authenticity of the review.

The **second checklist** developed by VZBV is aimed at **helping consumers deal properly with online reviews**. It focuses on three main aspects: recognising authentic reviews, creating/reviewing the content to be posted, and distinguishing advertising from reviews.

- For recognizing authentic reviews, the checklist advises consumers to select platforms with objective criteria (qualitative and quantitative), look for the date and the author of the review and read the content critically in order to assess whether it may in fact be disguised advertising. Consumers are also advised to consult different platforms when reading reviews.

- For creating quality content (i.e. writing a review), the checklist states that true and factual information as well as details should be provided. The latter are needed in order to create a more complete picture of the consumer's experience and to put the review into context. Importantly, the checklist warns consumers to steer clear of expressing anger in negative reviews. The feedback may be negative; however, it must remain respectful and based on evidence.

▪ Lastly, with regard to **distinguishing advertising from reviews**, the checklist points out that companies often offer payment in exchange for premium entries. In order to separate the advertising from the authentic reviews, consumers are advised to look for a designated place (display or highlighted area) which indicates that the content is advertising. Consumers are encouraged to make sure that they are indeed reading the actual reviews and not the accompanying advertising, if any.

The actions on part of **Stiftung Warentest** have also served to **raise awareness of the issue of fake and/or misleading reviews**. In 2007, the organisation carried out an **investigation** of hotel review websites in order to determine their susceptibility to manipulation (Stiftung Warentest, 2007). In doing so, it sent a fake hotel review to eight selected websites, only two of which detected the manipulation. The rest of the websites published the review, with one offering a small monetary reward to the reviewer in the form of a voucher. The investigation also found that some of the websites contained outdated information, with the 'age' of the reviews ranging between one and five years. It was also discovered that, in some instances, review websites cooperate with travel agencies and while in principle this did not raise concerns, the provision of gifts for submitted reviews was considered a questionable practice.

In 2010, Stiftung Warentest carried out a similar test of hotel review websites; however, it extended the investigation to hotel booking websites as well (Stiftung Warentest, 2010). The findings were similar in that only one of the seven selected hotel review websites detected the fake review. This included inaccurate descriptions of the hotel location and blank fields. Of the seven hotel booking websites, four were found to be susceptible to manipulation in that it was possible to submit a review despite not having stayed at the hotel. The barrier that only consumers who had booked through the website could leave a review was easily overcome.

In 2012, Stiftung Warentest once again investigated online hotel review and booking websites (Stiftung Warentest, 2012) in order to determine whether fake reviews were being published. It found that the biggest review websites did take a lot of measures to protect their systems from fake reviews, including having human "quality teams" to see if there has been any tampering. One website discovered all five fake reviews posted by Stiftung Warentest and informed them accordingly. Another website found four out of the five fake reviews and, after initially publishing them online, later removed them. The investigation found that review websites often included text for consumers prior to posting a review, warning them to refrain from falsifying reviews. It also found that review websites could trace the source of the posting by the IP address. Another important finding was that the majority of the websites did not provide adequate contact information and, when contacted by e-mail or telephone, did not provide satisfactory answers to consumers who had questions about their hotel bookings. The investigation concluded that this is perhaps the reason for a widespread practice on part of consumers – use the Internet as a source of information, and then clarify open questions and book with a travel agency.

6.4.4 UK

Background

In the UK, the **Advertising Standards Authority (ASA)** noted that it has received numerous enquiries from bloggers on how to ensure compliance with the relevant rules when advertising on their blogs. Some bloggers also raised the question of PR

agencies and social media offering them money to advertise on their behalf without disclosing the commercial relationship (ASA, 2013). The ASA indicates that currently, the issue of paid advertising appearing in blogs is not prevalent; however, it is becoming a bigger concern for bloggers who follow the rules.

Guidelines for bloggers

The ASA has published less formal **guidance for bloggers** on its website. It provides some practical steps they can take to clarify when content has been paid for, noting that:

> *"A blogger can of course give their view on any topic and, if it's an opinion, then we have no remit or interest in regulating that space. If, however, they are paid to say something positive then it becomes an advertisement and **they must disclose it**.   How can bloggers make it clear if their blog contains paid for content?   **Signposting it as "ad" "advertorial" or "sponsored content"** is a simple hassle free way to make it immediately clear to readers. We also encourage bloggers or advertisers who want free, expert guidance on the rules in this area and how to stick to them to **contact the Copy Advice Team**."*

The ASA has also emphasized that falsely representing oneself as a consumer (i.e. writing an advertisement disguised as a genuine opinion) is a misleading practice prohibited under consumer protection laws. If found to be in violation, bloggers will be investigated by the ASA and the Trading Standards Office. The two entities will also investigate any PR agency or other company found in violation of the same rule. Importantly, the ASA makes a clear distinction between complying with the rules and regulating bloggers' opinions or infringing on their ability to earn money.   While bloggers are free to express genuine personal opinions, they must disclose to their readers if and when a positive opinion has been paid for.   Similarly, while it is acceptable for companies to send free gifts and samples to bloggers and for bloggers to accept payment in return for advertising, this must be clearly stated in the blog so that it becomes visible to readers.

In addition to rules outlined in the guidance, there is also the threat of being placed on a blacklist (i.e. a list of non-compliant advertisers) developed under the Unfair Commercial Practices. By naming companies found guilty of such practices, as they pertain to online reviews, the blacklist alerts consumers and, possibly, serves as an incentive for the identified companies to change their tactics due to the generated adverse publicity. The blacklist is published on the ASA website, continuously updated and available to the public (ASA, nd).

In addition to publishing the names of non-compliant advertisers on a blacklist, ASA can also invoke further sanctions to ensure compliance with the relevant Codes. For example, it can ask websites to remove marketers' paid-for search advertisements when they link to a section of the marketer's website which contains non-compliant content.   It can also launch an AdWords campaign to warn consumers about the marketer's non-compliant practices when they search for the marketer online. Lastly, ASA can turn to other entities, such as Trading Standards or Ofcom, for further action on marketers engaging in misleading or unfair advertising (ASA, nd1).

It must be noted that, in addition to the online sanctions described above, there are also broadcast and non-broadcast sanctions for non-compliance. The former can also include a referral to Ofcom and even a license withdrawal, disqualification from industry awards and loss of the opportunity to showcase work. Non-broadcast

sanctions can include ad alerts, withdrawal of trading privileges, pre-vetting and sanctions in the online space.

Targeted enforcement action

Legal action was taken by ASA in 2012 against TripAdvisor. In February 2012, the ASA ruled that TripAdvisor must cease claiming that it offers "honest, real, or trusted reviews by real travellers" (ASA, 2012). In its decision, the ASA upheld a complaint that TripAdvisor's claims implied that consumers could be assured that all reviews on its website were genuine. The claim was found to be in breach of UK legislation on **misleading advertising** (the Misleading Marketing Regulations 2008).

In May 2014, the Italian competition authority announced it started an inquiry into potential unfair commercial practices by Tripadvisor[11].

6.4.5 Finland

Background

The Finnish Competition and Consumer Authority (KKV), as part of its mandate to implement competition and consumer policy, has put forward guidelines on complying with the Consumer Protection Act, as it relates to **advertising in blogs**. The basis for developing the guidelines is the fact that companies use blogs as advertising platforms and make various related arrangements with bloggers. As a result, the marketing material may not always be separate or clearly distinguished from the rest (i.e. the personal opinion of the bloggers).

Guidelines for bloggers

The guidelines by the KKV (Finnish Competition and Consumer Authority, 2013) explain the legal regulation and legal praxis and offer clarification on how to apply them properly, including specific considerations for professional bloggers when engaging in marketing. They are aimed at distinguishing material which is purely independent from that which has been sponsored but may not have been clearly indicated as such.

As regards the legal regulations and legal praxis, the guidelines explain the relevant provisions of the Consumer Protection Act (CPA). The easy recognisability of marketing and advertising from other editorial material is a legal requirement under Chapter 1. As such, marketing must clearly indicate its commercial purpose as well as its sponsor, regardless of the distribution channel (e.g. blog, TV or radio advertisement).

As regards the proper application of the CPA, the guidelines make it clear that the Act is binding on a trader. In other words, entities that choose to market their products through a professional or an amateur blog are obliged to comply with all legal requirements pertaining to recognisability of advertising. However, this responsibility is more obscure for an individual who blogs as a hobby. In this case, the KKV recommends that the blogger considers the rules for the recognisability of advertising

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[11]   http://www.agcm.it/stampa/comunicati/6951-ps9345-turismo-antitrust-avvia-istruttoria-nei-confronti-di-tripadvisor-per-verificare-lesistenza-di-una-possibile-pratica-commerciale-scorretta.html

in order to avoid potentially hidden advertising which is misleading to consumers (in this case, readers of the blog). Although the blogger is not bound by consumer protection legislation, a company that chooses to advertise through his/her blog is nevertheless responsible for complying with the applicable legislation.

Following from this, the KKV guidelines list several practical aspects to consider when marketing in a blog with the goal of disclosing commercial relationships. These include revealing the cooperation agreement between the trader and the blogger in a clear manner, stating specifically that the product/service review has been evaluated in cooperation with the trader's company and/or referring to the company that makes the product or offers the service that is being described in the blog. The latter must be done if the product/service is significantly connected to the contents of the particular post.

6.4.6 Norway

Background

The Norwegian Consumer Ombudsman (NCO), as part of its mandate to influence traders to observe the regulatory framework, has developed guidelines for complying with the Marketing Control Act (MCA). These are specifically aimed at bloggers, likely for the reasons already mentioned, i.e. the increased use of blogs as advertising platforms and the need to ensure adequate compliance.

Guidelines for bloggers

The guidelines developed by the NCO (Norwegian Consumer Ombudsman, nd) clarify the legal applicability of the Marketing Control Act, list a number of **steps to follow in order to prevent hidden advertising**, and state that penalties can be imposed on bloggers who break the law.

As regards the legal applicability of the MCA, the guidelines make it clear that the Act applies when payment is received in exchange for writing about a product/service. For example, this may include cases when bloggers are sent products or when they link to products which generate revenue from readers' activity or item purchase. Unless this is clearly stated in the blog, it would be considered as hidden advertising. The guidelines quote Section 3 of the MCA which requires all marketing to be clearly designated and presented as such.

It is important to note that the Marketing Control Act does not prohibit linking to or discussing products which bloggers like; however, this must be done in a manner which leaves no room for doubt whether this is a personal or a paid opinion. In addition, the MCA does not apply to all bloggers but only to those who engage in advertising. As such, it is fully applicable to bloggers who use their blog as a source of income and/or who may be registered as sole proprietors.

In order to prevent hidden advertising, the guidelines offer several steps for bloggers to follow. These pertain primarily to labelling, i.e. making it clear that the particular post is an advertisement. Although no standard or special formulations exist, a simple but clear indication of 'advertisement' or 'paid marketing' or a similar explanation that the product has been provided by a company with a view to promote it on the blog, would be sufficient. This type of clear and specific indication/statement must be made each time a blog post which contains marketing is written.

The guidelines emphasize **extra caution with respect to children and teenagers** as they are not only frequent readers of blogs but are also specifically targeted by advertisers. The MCA contains special provisions to this end, specifying that its provisions must be interpreted more strictly when children are the target group for advertising. The special attention accorded to this group is warranted by the fact that it is often more difficult for children and teenagers to distinguish between personal and paid opinions (i.e. advertising in a blog). As such, bloggers must take special care to clearly inform this audience of the fact that the blog contains advertising. In addition to being best practice, this is also required by Section 19 of the MCA. Section 20 of the Act places restrictions on direct invitations to purchase toward children or encouraging them to request the assistance of an adult in the purchase of a good/service. Although the boundary is not always precise, bloggers are advised to avoid arranging competitions, for example, as this is a particular form of enticement and, as such, represents hidden advertising (if arranged according to agreements with a sponsoring company).

Lastly, the guidelines state that breaches of the MCA can lead to financial penalties. The Consumer Ombudsman and the Market Council authority are the designated entities to investigate possible breaches and impose relevant penalties.

6.4.7 Netherlands

Awareness raising

Consumentenbond, a non-profit Dutch organisation promoting consumer protection, published an **article on the trustworthiness of online hotel reviews** (Consumentenbond Reisgids 2013)[12]. Similarly to Stiftung Warentest, it **investigated eight hotel review websites** to determine how they detect and deal with fake reviews. It found that most of the websites had automated systems which monitored IP addresses and filtered out suspicious reviews. In addition, reviews were also said to be screened by employees and removed if determined to be fake. The investigation also found that some websites contained extremely outdated reviews (e.g. more than 6 years old); however they did not count towards the final hotel score. It is noted that the requirement of providing an e-mail address does not guarantee that the sender will be traced. Overall, the article acknowledges that despite all efforts on part of the review websites, it is not possible to eliminate all fake reviews.

Consumentenbond also provided **tips on how to recognize fake reviews**, including looking out for reviews with many exclamation marks and capital letters, only high scores, and/or a lot of text and superlatives. It notes that the more specific and detailed the hotel description, the more likely it is that the review is genuine. Lastly, the organisation consulted with an hotelier as to how he deals with online reviews. It found that, if the hotel received a rating lower than 8.5, the hotelier contacts the reviewer to ask for clarification and/or offer an explanation. This is sometimes done via the review website but the preferred method is by letter or e-mail. It was also mentioned that guests' expectations, sometimes due to inaccurate online descriptions, also affect the subsequent review. Overall, the hotelier made it clear that the industry is aware of fake reviews and never rules out their occurrence completely.

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[12] The magazine is available from the Consumentenbond website at: http://www.consumentenbond.nl/gidsen/reisgids/2013-sept-okt/

6.5   Actions in non-EU or EEA countries

6.5.1 Australia

Background

The **Australian Competition and Consumer Commission (ACCC)** had been aware of the issue of misleading and/or fake reviews due to reports in the print media of businesses engaging in such practices on platforms such as TripAdvisor and Yelp. Some of the issues identified (and media interest) were actually based on reports of fake reviews in the UK and US, rather than in Australia. As a result, the ACCC was concerned that with increasing use of online review platforms by consumers, it was important that reviews provide a true reflection of the product/service.

Upon **investigating** this issue further, the ACCC discovered that there was limited complaints data from consumers, which did not provide an accurate reflection of the extent to which fake reviews was an issue in Australia. In practice, consumers do not necessarily react to fake reviews by reporting to authorities; some will respond by writing a review and expressing their disappointment in the product/ service, some will manage the product, while others will decide not to use it in the future. On the other hand, the ACCC found that the main complaints were from small business owners who had identified fake (and often defamatory) reviews about their business and had asked the ACCC to take action.   In this context, it is worth noting that businesses can pursue claims against other businesses under Australian consumer law. The ACCC, therefore, has the power to act if the defamatory statement has been made by a business competitor as this would fall under its jurisdiction. However, it cannot act if the defamatory review has been made by a consumer.

The ACCC had also taken **direct enforcement action** in response to businesses engaging in fake reviews. In 2011, it fined the moving business Citymove for publishing such reviews online, i.e. testimonials which were presented as genuine but were not (ACCC, 2011). It was discovered that the reviews had been copied from an unrelated website and then edited and published on the Moving Review website (www.movingreview.com.au), owned by Citymove. The company used contractors to generate the content for the Moving Review website; however, it did not verify the accuracy of the copied testimonials and allowed the feedback to be published with full knowledge of the inaccuracies contained in it. While it is not clear how the ACCC discovered the malpractice, Citymove was fined $6,600 AUS. The infringement notice and the undertaking are also available on the public register section of the ACCC website – an action which equates to the 'naming and shaming' approach taken by the EC and which, by publicising the case, is likely to have an impact on Citymove's reputation.

Guide for Businesses and review platforms

Following from the above, in taking action to address the issue, the ACCC released a guide for businesses and review platforms (ACCC, 2013) which outlines three guiding principles and provides recommendations for detecting and removing reviews accordingly. It sets out **core principles of conduct** for businesses with the overall purpose of improving **transparency about commercial relationships** and thus ensuring the **integrity** of the information posted online. It must be noted that the ACCC intentionally narrowed the scope of the guide to focus on dedicated review platforms rather than on testimonials published on businesses' websites. It was

decided that consumers do not rely on/trust testimonials in the same way that they rely on/trust reviews.

The guiding principles established in the guide are as follows:
- Principle 1 – Be transparent about commercial relationships;
- Principle 2 – Do not post or publish misleading reviews; and
- Principle 3 – The omission or editing of reviews may be misleading

With regard to Principle 1, it is acknowledged that commercial relationships between review platforms, reviewed businesses and/or reviewers may result in unfair competitive advantage between competing reviewed businesses. As such, it is recommended that industry players disclose to consumers any commercial relationships which may exist between them and the review platform and may thus impact the online reviews.

With regard to Principle 2, consumers are cautioned that online reviews, although presented as impartial, may in fact be written by the reviewed business, a competitor of the reviewed business, a third party (such as a marketing or PR firm) acting on behalf of the business or its competitor, third persons who are paid to write reviews without actually having used the product/service, or simply consumers who have used the good/service and are writing an exaggerated review because they have been given a financial or non-financial incentive.

With regard to Principle 3, the guide notes that the overall impression created by a body of online reviews may be misleading if it does not reflect the genuine opinions of the consumers who submitted them. However, the selective removal or editing of reviews by the review platform may in itself be misleading, especially if this involves negative reviews and is done for commercial or promotional reasons.

The guide then proceeds to provide guidance for review platforms and businesses according to the three main principles outlined above.

Firstly, with respect to Principle 1, review platforms are warned that allowing commercial relationships with reviewed business to impact on the content and presentation of reviews risks breaching the Australian Competition and Consumer Act 2010 (CCA). If the commercial relationship does not affect the review results, review platforms are advised to **disclose the relationship** to consumers using their services. This may be done by a prominent explanation of the nature and extent of the commercial relationship or by distinguishing the reviews which have been influenced by the relationship from those which have not.

With respect to Principle 2, review platforms are advised to remove reviews which they know to be fake. It is noted that failure to do so may also risk breaching the CCA. While the guide acknowledges that there is no precise formula for identifying fake reviews, it offers several examples of reviews which may warrant attention.

These include reviews which are:
- part of a significant increase in reviews about a particular business over a short period of time;
- written from the same e-mail or IP address as each other or as the business being reviewed;

- written about the same business, good or service where the accounts of reviewers are abnormally similar, e.g. e-mail addresses, user names, password or IP addresses;

- overly positive or written in 'marketing-speak' style;

- lacking sense; and

- are using the exact same language as other reviews of the same business, good or service.

It is suggested that review platforms adopt best practices for detecting and monitoring (fake) reviews by having **easy processes to allow consumers and businesses to flag suspicious reviews**. One example is a "Compliment | Flag as suspect or inappropriate" button placed in proximity of reviews.

Furthermore, with regard to **incentivised consumer reviews**, the guide notes that review platforms may also offer incentives to consumers in order to encourage them to review a business listed on the platform. It is noted, however, that this must be done in accordance with three recommendations (discussed in the subsequent paragraphs relating to reviewed businesses). In addition, the review platform is advised to disclose any incentive(s) which it may have offered to consumers in exchange for a review. In case the incentive may have been provided to the reviewer by the reviewed business, it is suggested that review platforms ask consumers whether they have received such incentive at the time the review is being posted. It is noted that reviews written in response to an invitation from a platform or a business (e.g. an e-mail) with no accompanying incentive need not be supplemented by a disclosure.

With respect to Principle 3, review platforms are assured that **removing reviews which are suspected of being fake or which are offensive, defamatory or irrelevant** does not constitute a misleading practice. However, selectively removing or editing negative reviews due to commercial relationships with the reviewed business is misleading because it distorts the overall picture. In this case, review platforms are advised to provide content moderation policies which state when and why reviews will be removed. In addition, if relying on an aggregated rating system, they are advised to disclose the total number of reviews on which a certain rating is based.

Lastly, for dealing with businesses which have received unfavourable online reviews, it is recommended that review platforms provide them with an **opportunity to respond publicly to their review**. It is also suggested that they remain responsive to business concerns and react swiftly if evidence shows that the review of the business is not genuine.

The guide proceeds to provide advice to reviewed businesses, which is informed primarily by Principles 1 and 2 (Principle 3 would not apply to them). The section dealing with consumer reviews written by businesses or on behalf of businesses incorporates both Principles 1 and 2. With respect to Principle 1, it states that reviewed businesses should not encourage friends and/or family to write reviews about them without disclosing their personal connection to the business. With respect to Principle 2, businesses are warned not to write reviews which do not reflect their genuine opinion, including when they have not experienced the good or service. They are also warned not to solicit others to write reviews without having tried the good or service as this would be misleading conduct.

As to incentivised consumer reviews, the guidance for reviewed businesses is also in accordance with Principle 2. It includes three main recommendations for businesses offering incentives to consumers to write reviews. This should only be done if:

- incentives are offered equally to all consumers (whether likely to be complimentary or critical) and all reviews are treated the same (whether positive or negative);

- reviewers are expressly told that the incentive is available regardless of whether the review is positive or negative; and

- the incentive is prominently disclosed to the readers of the associated reviews.

Reviewed businesses are also advised to notify the review platform of such arrangements, so that the latter can make its own appropriate disclosure.
Lastly, the guide provides advice to reviewed businesses on how to deal with fake negative reviews posted about them. It recommends that businesses notify the review platform immediately, identify the reviews in question, and provide reasons and evidence, if needed. In extreme circumstances, such as on-going harassment or serious threats, businesses are advised to contact the police.

Awareness raising

The ACCC has engaged actively with both industry and consumers in order to raise awareness of the issue of fake and/or misleading reviews. This includes making **educational materials** available on its website and **generating publicity for the guide on print, TV and radio media**. In particular, the ACCC made the guide available on its website and included a short discussion of its main points (http://www.accc.gov.au/business/advertising-promoting-your-business/managing-online-reviews). It also published information specifically aimed at consumers on how to use online product reviews and review platforms (http://www.accc.gov.au/consumers/online-shopping/online-product-reviews). In addition, it has made a series of industry presentations and provided industry associations with adapted material for their members. It appears that it has also engaged actively with review platforms – both during and after the development and publishing of the guide. These actions can be considered as preventive in the sense that awareness of the issue would, in theory, act as a deterrent for non-compliance.

6.5.2 USA

Background

The US **Federal Trade Commission (FTC)** has been active in addressing the issue of deceptive advertising. In 2010, it took **enforcement action** against a PR firm which had asked its employees to write reviews of online games on iTunes but had not disclosed the arrangement. Similarly, in 2011, it took action against a company that had hired affiliates to review an online instruction course and provide a link to its website. Because there was no disclosure of this arrangement, the company was subjected to a $250,000 monetary judgment.

Guides

The document "***Guides Concerning the Use of Endorsements and Testimonials in Advertising***" (FTC, nd) has been updated from a previous guide to cover a wide range of **advertising practices**, including new online developments such as blogging. It gives practical examples of what constitutes (or not) endorsements, what they should reflect and how the message should be phrased. Importantly, it states that

advertisers carry liability for false or unsubstantiated statements or for failing to disclose existing material connections with the endorser. The latter may also be subject to **liability for statements** made as part of his/her endorsement. The document also addresses consumer endorsements as these are often used by businesses, including hotels, to advertise their product/service. It states that the consumer's experience must be representative of what others will generally experience by using the advertised product/service. If this is not the case, then the advertisement should make this known in a clear and conspicuous manner. The guidance, as it relates to the hotel sector, means that if consumers promote a hotel, their statements must reflect their genuine experience or, in the event that their particular experience is not typical, a relevant disclosure must be made in the advertisement. This is necessary to ensure that the statements are not misleading.

The document also provides specific examples with regard to the disclosure of material connections. These must be revealed if they have the potential to affect the weight or credibility of the endorsement (i.e. they are not reasonably expected by consumers). The document *"How to Make Effective Disclosures in Digital Advertising"* (2013) has been developed specifically to deal with advertising disclosure on mobile and social media. By providing recommendations on how to effectively disclose material connections, or commercial relationships, in advertising in the digital media, it resembles the disclosure of advertising in blogs as explained by the Finnish and Norwegian authorities. The FTC emphasis is on **'clear and conspicuous' disclosures** which are achieved through factors such as proximity and placement, prominence, language and, if need be, repetition. The 'clear and conspicuous' requirement is essential for preventing advertisements which are deceptive, unfair or otherwise violating FTC rules. The document makes it clear that simply including a disclosure somewhere in the advertisement is not sufficient to meet the clear and conspicuous requirement. Instead, a disclosure must be communicated effectively, i.e. in a way that is noticed and understood by consumers. To this end, while it acknowledges that there is no specific formula for making clear and conspicuous disclosures, the FTC lists several factors which, when taken into account, would help to ensure that the disclosure meets this requirement.

Clearly, proximity and placement will impact the effectiveness of a disclosure as they increase the likelihood that consumers will notice and relate it to the advertised product/service. In this respect, the FTC lists several options, including hyperlinking and using high tech methods to ensure adequate proximity and placement, especially in space-constrained ads. With regard to prominence, the FTC advises advertisers to use graphs, colours and text sizes which would make the disclosure clear and also to account for the different devices that consumers may be using. As such, in order to satisfy the clear and conspicuous requirement, advertisers should ensure that a disclosure would be visible equally well if viewed from a smartphone screen. Repeating a disclosure may also be necessary to ensure that consumers notice it; however, repetition should not be excessive so as not to make consumers ignore or dismiss the message. In addition, the language of the disclosure should be clear and avoid legalese or technical jargon. This would ensure that the message is simple and straightforward and, as such, would be easily understood by consumers. Most importantly, clear and conspicuous disclosures should be made before consumers make a purchase or incur a financial obligation. This would ensure that goods/services are described adequately and that consumer confidence in the online marketplace is not diminished. This holds true for the hotel sector as well, i.e. review platforms which include industry-sponsored content should disclose the arrangement in a manner that is appropriate for the particular case and consistent with the existing recommendations. In turn, such a disclosure would help to minimise market distortions due to imperfect information.

Awareness raising

The guides described above are only one part of the FTC's wider approach for dealing with the issue of deceptive advertising. The authority has undertaken a number of awareness campaigns targeted at both consumers and business. It has also developed a range of **education and guidance materials** which can be found on its website. Although not specifically pertaining to online hotel reviews, the materials are highly relevant to the topic and offer specific guidance on how to conduct online advertising properly and disclose commercial relationships effectively. In this sense, the materials offer similar recommendations as those put forward by the Finnish and Norwegian authorities.

Consultation with the FTC for this study reveals that, when first published, the 2009 guide generated a significant amount of news coverage. The FTC also engaged in educational activities on this topic at relevant conferences. Importantly, the publication of the guide led to greater discussions as to how bloggers could comply with it. Consultation also indicates that presently disclosure of paid advertising on blogs is increasingly seen and, in general, there is greater awareness of the rules. In addition, it appears that there is a high degree of awareness of the guide among businesses (i.e. advertisers) which implies that it has been effective, although it is only one aspect of the FTC's multi-pronged strategy for dealing with deceptive advertising.

Targeted enforcement action

In 2013, the **Office of the New York State Attorney General** concluded a year-long undercover investigation of the **reputation management industry and consumer review websites** with a special focus on the manipulation of online reviews to increase businesses' online ratings. As mentioned earlier in the report, "**Operation Clean Turf**" discovered large-scale, intentional deceit carried out by SEO companies which employed a number of illegal techniques to raise the online profiles of their clients (NYS AG, 2013). The practice, known as 'astroturfing', is said to be the 21st century's version of false and deceptive advertising. It found that companies had flooded the internet with fake consumer reviews on websites such as Yelp, Google Local, and CitySearch. In discovering the deceptive business practices, representatives from the Office of the Attorney General (OAG) posed as the owner of a yoghurt shop and requested the assistance of SEO companies in combating negative consumer reviews. In responding to this request, some SEO companies offered to write fake reviews on major consumer review websites by, *inter alia*, setting up bogus online profiles, using advanced IP spoofing techniques and paying freelance writers from across the globe to post the content online. As an additional measure to avoid suspicion on part of the website platforms, one SEO company required freelancers to have an established account on the platform, dating from at least a few months, as well as existing online reviews and online community "friends". Solicitations for fake reviewers were also made on other advertising websites, with some companies even offering to provide the text of the review. The investigation found that, *"by producing fake reviews, these companies violated multiple state laws against false advertising and engaged in illegal and deceptive business practices"* (NYS AG, 2013). As a result, the OAG entered into Assurances of **Discontinuance with 19 companies and levied penalties** ranging from $2,500 to almost $100,000. In addition, the OAG published and made available on its website a list of the violating companies – an approach also taken by the UK ASA.

6.6   Summary of key findings

This Section identified actions that have been taken by various stakeholders to address the issue of misleading and/or fake reviews. For review website operators, a range of verification and authentication measures to prevent misleading and/or fake reviews were identified including:

- Identity-based verification, whereby users are required to provide various information which can be used to identify them (e.g. full name, date of birth, location; etc.) before they can post reviews.

- Verification using technical measures, involving active checking by review website operators of details provided by consumers writing reviews (e.g. verification of valid e-mail address, IP address of reviewers, etc.).

- Verification using detection and filtering systems, involving the use of dedicated software and text-based algorithms as a means of screening content

- Verification by editors, which relies on employed individuals/experts, investigators and editorial teams to screen reviews for suspicious content.

- Verification by third parties, which relies on an independent rating system for review sites provided by third-party websites which assign ratings to the websites.

- Verification by the service provider, which provides the hotel operator with the possibility to verify whether consumers providing reviews stayed at the hotel.

In addition to the above, there are also content moderation policies, where these are the terms and usage conditions of website platforms which often specify that misleading and/or fake reviews will be removed and that hotels found to have produced such reviews may be banned from the site in the future.

The discussion of enforcement actions by national authorities in Section 6 shows that national authorities and consumer organisations have generally acted as soon as they were aware that there were problems relating to misleading and/or fake reviews on their national market. In France, complaints resulted in an investigation by the public authorities and the issuance of sanctions against offenders. In Germany, a consumer organisation under undertook three separate investigations of hotel review websites and published the results of its findings. In these two countries, as well as in the UK, Finland and Norway, guidelines have been drawn up to assist consumers and businesses in dealing with misleading and/or fake reviews. Depending on the remit (and resources) of the organisation developing these guidelines, these have been put forward in the form of recommendations, checklists, formal guidance documents and less formal guidelines available on websites. Awareness-raising activities have also been carried out in some countries (e.g. France, Germany and the Netherlands) in order to draw attention to this issue. Experience from actions taken in non-EU countries (i.e. Australia and US) underline the importance of employing investigations, sanctions and awareness-raising activities to address issues relating to misleading and/or fake reviews.

7. Analysis of EU legislation of relevance to misleading and/or fake reviews

7.1 Introduction

Section 5 of this report set out the problems associated with misleading and/or fake reviews, while Section 6 identified various measures taken to date by review website operators, industry associations and public authorities to address these problems. As notable as some of these efforts have been, the findings of the website checking exercise showed that there are still some areas of concern.

This section provides a legal analysis of current EU consumer protection legislation relevant for tackling the problem of misleading and/or fake reviews. It provides:

▪ **A summary of European consumer protection legislation** relevant for protecting consumers from misleading and/or fake reviews and the relevant articles;

▪ **A review of the implementation of these legislation** in order to assess whether they are an effective and sufficient deterrent/solution to the problem of misleading and/or fake reviews;

▪ **A discussion of the legal responsibilities of different actors** involved in the operation of review websites; and

▪ **A summary of the findings of the review of terms and conditions of review websites.**

7.2 Summary of European legal framework

The most relevant piece of EU legislation is the Unfair Commercial Practices Directive (UCPD - 2005/29/EC). Specifically, Articles 6 and 7 prevent traders from making misleading statements, omitting material information *inter alia* about the price and/or the existence, the main characteristics and the availability of products and services. Other relevant EU consumer legislation include the Consumer Rights Directive (CRD - 2011/83/EC), which will apply from 13 June 2014, and the Misleading and Comparative Advertising Directive (MCAD - 2006/114/EC). A summary of relevant European consumer legislation able to help tackle problems relating to misleading and/or fake reviews is provided in Table 7-1 below.

In addition to the above, European consumer protection legislation referred to in the annexes of the CPC Regulation is also relevant insofar as this relates to "pricing transparency". For instance, Directive 98/6/EC on Consumer Protection in the Indication of the Prices of Products Offered to Consumers, has relevance and there have been instances in particular Member States where national trading standards bodies have taken action against hotel review websites. For instance, an investigation by the consumer body Which? found that a number of well-known hotel chains were breaching regulations by not including VAT in headline prices online (Which?, 2012).

The interplay between European consumer protection, competition and data protection law should also be mentioned in the context of online reviews in the hotel sector. As mentioned in the definition of misleading hotel reviews above (chapter 5), there have been instances where the ranking of review results presented by hotel review websites

that aggregate hotel reviews from other websites has been manipulated in order to redirect web traffic to hotels that it (the hotel review website) promotes, whilst presenting the results as objective and impartial. This can occur on both dedicated review websites or in aggregated format (e.g. comparison sites) in various ways, for example:

- where only a selection of reviews are published during the moderation of reviews, e.g. by disqualifying or eliminating negative reviews;
- where scores and ranking are influenced by commercial links between review sites and hotels and this is not clear to the consumer; and/or
- where there is differential treatment of reviews for partner- and non-partner hotels.

If a hotel review website that engages in such practices has a dominant market position, such behaviour may amount to an abuse of its dominance under European competition law. Additionally, if there is a lack of transparency on the review website's part about the use of users' personal data, consumers could be misleadingly presented with a certain kind of choice which the search engine considers particularly appropriate to his or her presumed purchasing power or preferences, based on data previously gathered without his or her explicit consent. This could be problematic as regards European data protection legislation.

Finally, it is important to note that, in addition to EU legislation, there are national laws on defamation which should also help to prevent malicious reviews, either by consumers or by hotels themselves wishing to discredit a competitor.

Table 7-1: Key legislation relating to misleading and/or fake reviews	
Legislation	**Relevant articles and scope of legislation**
Unfair Commercial Practices Directive (2005/29/EC)	The UCPD applies to all business-to-consumer commercial practices.

Article 5 of the Directive prohibits unfair commercial practices. A commercial practice is unfair if it is contrary to the requirements of professional diligence and is likely to materially distort the economic behaviour of consumers. In particular commercial practices are unfair if they are misleading as set out in Articles 6 and 7 or aggressive as set out in Articles 8 and 9. Commercial practices covered by Article 6 include providing information that is false or deceiving, even if factually correct, for example as regards the existence or nature of a product, the main characteristics or the price. Article 7 applies to the omission of material information and to traders that hide or provide material information in an unclear way. In the case of an invitation to purchase, Article 7 states that specific information shall be regarded as material, for example the main characteristics of a product, the price and the means of payment.

Annex I to the Directive provides a list of 31 commercial practices which should be considered unfair in all circumstances. According to No. 22, it is – in all circumstances – considered unfair for a trader to falsely represent himself as a consumer. Point 18 prohibits in all circumstances the practice of "*passing on materially inaccurate information on market conditions or on the possibility of finding the product with the intention of inducing the consumer to acquire the product at conditions less favourable than normal market conditions*". |
| Consumer Rights Directive (2011/83/EC)

Will apply from 13 June 2014 when it will replace the Distance Selling Directive 97/7/EC and the Doorstep Selling Directive 85/577/EEC | Article 6 (1) CRD states that "*before the consumer is bound by a distance or off-premises contract*" the trader shall provide him with clear and comprehensive information on a number of points, including e.g. the main characteristics of the goods or service and the total price.

One of the main consumer rights in distance and off premises contracts is the right of withdrawal (Articles 9-16 CRD). However, according to Article 16(l) the right of withdrawal does not apply to the provision of accommodation other than for residential purposes if the contract provides for a "*specific date or period of performance*" .This exception from the right of withdrawal may be relevant in particular for reservations made at hotels, cf. recital 49 of the preamble to the Directive.

Other provisions of the CRD that could be relevant are, e.g., Article 19 on the fees for the use of means of payments, Article 21 on charges for communication by telephone in relation to a contract concluded and Article 22 which prohibits additional payments without the express consent of the consumer. |

Table 7-1: Key legislation relating to misleading and/or fake reviews	
Legislation	**Relevant articles and scope of legislation**
Misleading and Comparative Advertising Directive (2006/114/EC)	Misleading and/or fake reviews may, in the context of advertisements, fall under the scope of the MCAD. It should be noted however that whereas the UCPD and the CRD apply to Business to Consumer (B2C) transactions, the MCAD is concerned with Business to Business (B2B) transactions. Article 4 lays down the conditions under which comparative advertising is permitted and also what constitutes unfair practice. It includes the following: a) it must not be misleading within the meaning of the Unfair Commercial Practices Directive; b) it compares products meeting the same needs and objectively compares material, relevant and verifiable features, which may include price; c) it does not discredit competitors marks, does not take unfair advantage of their reputation, does not present products as imitations and does not create confusion among traders.
CPC Regulation (2006/2004)	Regulation (EC) No 2006/2004 on consumer protection cooperation (the CPC Regulation) lays down the general conditions and a framework for cooperation between national enforcement authorities. Examples of legislation that are also sometimes relevant are: • Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts (OJ L 95, 21.4.1993, p. 29). • Directive 98/6/EC of the European Parliament and of the Council of 16 February 1998 on consumer protection in the indication of the prices of products offered to consumers • Directive on electronic commerce (Directive 2000/31/EC)

7.3 Implementation of EU legislation to address misleading/fake reviews

For this task, a review was undertaken which involved an analysis of (i) reports on the implementation of European Consumer Protection Legislation; (ii) the extent to which regulatory enforcement measures have been taken by appropriate enforcement authorities using existing legislation; and (iii) practical problems in the use of legislative means to tackle the problem of misleading and/or fake reviews.

Firstly, a review of reports on the implementation of European Consumer Protection Legislation was carried out so as to ascertain the extent to which there was any commentary/analysis on the role of such legislation in protecting consumers from misleading and/or fake hotel reviews. A 2013 Commission Report on the **application of the Unfair Commercial Practices Directive** (EC, 2013b) noted that the most frequently reported instances of bad practice mentioned by respondents to the consultation in respect of Article 6 (misleading actions in B2C commerce) involve untruthful information on the main characteristics and/or on the price of products or services offered. **Travel and tourism was identified as one of the most**

troublesome sectors. A tool which could be useful in monitoring the scale of the problem in respect of the UCPD is the online legal database, the 'UCPD Database' (https://webgate.ec.europa.eu/ucp/) which was set up in July 2011. The purpose of the database is to keep track of legal cases falling under the UCPD to support the uniform application and adequate/effective enforcement of the Directive. It contains 330 legal articles, 400 cases and 25 other items (such as studies or guidelines adopted by national enforcement authorities).

Secondly, effective regulatory enforcement is clearly important in ensuring both that legislation is effectively implemented and that there are sufficient numbers of **legal cases to serve as a deterrent** to hotels or consumers who may be tempted to write a misleading, false or fake review. In Europe, there have been a small number of enforcement cases undertaken by national authorities in relation to misleading advertising or false reviews on hotel review sites (e.g. the UK Advertising Standards Authority action against TripAdvisor in 2012; French action against a hotel booking websites and its subsidiaries in 2011 and the investigations into review websites leading to sanctions for some operators (2010 to 2013)). These cases are interesting examples of investigations upon complaints leading to successful enforcement action. Consumer associations in Europe have investigated the actual filtering capacity of review websites by posting fake reviews (e.g. Stiftung warentest, Germany). However it appears that there have not yet been investigations in Europe by enforcement authorities similar to the "Operation clean turf" in the US; this may reflect the relatively early-stage in the development of review sites and e-reputation companies compared with the U.S.

Although such enforcement cases provide useful examples of what can be achieved through legal action to ensure the effective implementation of existing legislation, examples of enforcement actions are few and far between. There continues to be a risk that current EU legislation may not be effective in protecting consumers because of the low likelihood of legal action taking place, which means that there is a lack of sufficient deterrent.

A key problem in combatting misleading, false and/or fake reviews through legislative means alone is that, although there is legal protection in place to protect consumers, there is a large volume of reviews posted daily. Apart from advertising on blogs, the overview of measures taken (Section 6) shows that there is still only limited guidance available regarding online reviews. This means that it is **challenging to police the internet efficiently, identify and investigate** suspected fake reviews and ensure that the law has been implemented effectively. This could require close cooperation between relevant actors (e.g. enforcement authorities, review website operators and consumer organisations) as well as a significant investment in technology. Screening mechanisms put in place by hotel review websites to detect fake reviews are arguably as important in tackling the problem as EU legislation. Given some of the practical challenges in monitoring online hotel reviews, there may also be soft measures that could help to strengthen the effectiveness of consumer protection mechanisms. Examples include guidance and the use of "trusted third parties" to verify and authenticate consumer reviews and the use of voluntary standards to ensure the integrity of reviews, such as the standard developed by the French organisation AFNOR.

Overall, the key finding from the legal analysis in respect of the effectiveness of current legislation and regulatory enforcement activities is that current EU legislation, notably the Unfair Commercial Practices Directive, protects consumers against misleading and/or fake reviews adequately, at least, in theory. It is, however, worth bearing in mind that the main conclusion of the 2013 Commission Report on the

application of the UCPD is that while it does not seem appropriate to amend the Directive at this stage, its enforcement should be stepped up. It is also worth noting that, despite the fact that hotel review websites have taken a number of measures[13] to address the problem, it is very **difficult to guarantee that consumer reviews are genuine**. Consequently, there is a need for better enforcement of existing legislation – both by ensuring that Member State enforcement authorities are sufficiently aware of the problem and investigate and take appropriate action upon legitimate complaint, and by ensuring that through the CPC Regulation, there is further cooperation between Member States which results in effective cooperation, the sharing of good practices and enforcement.

7.4 Legal responsibilities of actors involved in review websites

This section examines the key issues with regard to the nature and extent of legal responsibility among the different actors involved in the operation of hotel review and travel websites.

From a legal point of view, questions about the level of liability for providers of online information are complex. The scope of this study (see Section 3) covers a number of different online service providers, including, *inter alia*, basic hotel review websites, travel agencies or travel websites, social networking platforms and blogs and online forums. Such providers operate based on varying business models, and these differences are likely to make them subject to different levels of legal responsibility. As such, the level of legal responsibility of an operator should always be assessed on a case-by-case basis.

This notwithstanding, the starting point is that **an operator of an online information platform that qualifies as a "trader"** as defined by Article 2 (b) of the UCPD[14] and Article 2 (2) of the CRD[15] is **liable for unfair commercial practices** on its website, where a "trader" is any natural or legal person who is acting for purposes relating to his business, but also any such person acting on behalf of other traders. Thus, both a review website operator and hotel can be held responsible for misleading and/or fake reviews – according to the concrete circumstances of the case in question.

However, an online information **platform provider could also qualify as a "hosting service provider"** within the meaning of Article 14 of Directive 2000/31/EC on electronic commerce (the E-Commerce Directive). If a platform provider qualifies as a "hosting service provider", the starting point would be that it would not be liable for the information stored on its webpage. The platform provider would also not be

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[13] Examples of such measures were examined in Section 6, where these include *inter alia*, introducing further user authentication measures and algorithmic screening of reviews to spot patterns.

[14] **Article 2 (b) UCPD**: "trader" means any natural or legal person who, in commercial practices covered by this Directive, is acting for purposes relating to his trade, business, craft or profession and anyone acting in the name of or on behalf of a trader.

[15] **Article 2(2) CRD:** "trader" means any natural person or any legal person, irrespective of whether privately or publicly owned, who is acting, including through any other person acting in his name or on his behalf, for purposes relating to his trade, business, craft or profession in relation to contracts covered by this Directive.

legally required to monitor the information that appears on its website. However, if such an operator becomes aware that information of an illegal nature (such as defamatory material, or information that is false or misleading as defined in the UPCD (c.f. in particular Articles 5, 6, 7, 8 and 9) appearing on its platform it must **quickly take action to remove or to disable access to this information**. That said, the question as to whether the provider of an online platform qualifies as a "hosting service provider" must be assessed on a case-by-case basis. According to the Court of Justice of the European Union[16]:

> "*the mere fact that the operator of an online marketplace offers for sale on its server, sets the terms of its service, is remunerated for that service and provides general information to its customers cannot have the effect of denying it the exemptions from liability provided for by Directive 2000/31*". However, the Court continues, "*where, by contrast, the operator has provided assistance which entails, in particular, <u>optimising the presentation of the offers for sale in question or promoting those offers</u>, it must be considered not to have taken a neutral position between the customer-seller concerned and potential buyers but to have played an active role of such a kind as to give it knowledge of, or control over, the data relating to those offers for sale. It cannot then rely, in the case of those data, on the exemption from liability referred to in Article 14(1) of Directive 2000/31*".

As can be seen from the above, consumer protection law does indeed provide consumers with protection from false, fake and misleading hotel reviews. However, in practice, many providers of online information relating to hotel reviews would be likely to argue that there are practical difficulties for them to verify the information, as their main business function in the value chain is to serve as an intermediary, rather than creating the online information directly. Such businesses would rather claim that the legal onus (for online reviews) is on both the hotel and the consumer. An analysis of terms and conditions on review websites, undertaken for this study, shows that **hotel review sites almost always use an explicit legal disclaimer in their (user) terms and conditions to shift the onus/responsibility back onto the consumer** for checking the factual accuracy of information/reviews posted on these websites and in using any information provided by third parties (whether these are consumers through consumer-generated hotel reviews, or hotels listed on such sites).

Examples of such disclaimers include:

> "*Information on this website is provided for general information purposes only, should not be relied upon by you and is provided so that you can select the product or service that you feel is most appropriate to meet your needs. You should always check the suitability, adequacy and appropriateness of the product or service that is of interest to you and it is your sole decision whether to obtain or refrain from obtaining any product or service.*"

> "*…. does not edit or control the user messages posted to or distributed on this site including through any chat rooms, bulletin boards or other communications forums, and will not be in any way responsible or liable for such user messages….. you are solely responsible for your use of such interactive areas and use them at your own risk.*"

> "*We do not monitor, verify or endorse data, material and information submitted or provided by third parties which is included on the Website and you should be*

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[16]   Case C-324/09 (L'Oreal), paragraphs 115, 116.

> *aware that such information may be inaccurate, incomplete or out of date. In particular, we do not monitor, verify or endorse the information or quotations collected from the product and service providers as presented to you on the Website. We are not responsible for any data, material or information included on the Website which has been provided by third parties."*

That said, review website operators do often make voluntary undertakings with regard to their commitment to screen reviews and to detect and eliminate misleading, false and/or fake reviews without going so far as to openly admit legal responsibility. Some operators have also signed up to initiatives to develop good practices, such as the AFNOR standard. Industry also appears to believe that the problem is best tackled through security and technological measures, such as the use of authentication measures to check that users posting consumer reviews are genuine, screening and detection measures and investigation upon complaint (although as noted earlier, consumers do not, in general, complain to authorities about fake reviews).

Nevertheless, some hotel owners take a different view, that review website operators should be held legally responsible, particularly in instances where competitors post damaging information about a hotel which may cause lasting reputational damage. An instance was identified of a recent legal case brought by a group of hotel operators against Trip Advisor in an article which explored how far users are potentially legally liable for writing false or malicious hotel reviews (The Telegraph, 2010). It is also the case that review website operators and similar platform providers often include legal disclaimers in their terms of conditions and use, and often promise to investigate any misleading or false hotel reviews upon complaint. For instance, one website states in its terms of use that "*anyone submitting content to our site agrees not to post libellous or defamatory material*". However, there remains an issue as to the amount of time it takes for operators of such websites to remove defamatory or malicious reviews. The level of legal responsibility attributable to the review website operator for the potential reputational damage done to the hotel (or hotels) from misleading and/or fake reviews in the time it takes to address these must always be assessed on a case-by-case basis.

7.5   Findings from website checking

A detailed analysis of the **terms and conditions of use** for one or two selected review websites in each of the categories identified in Section 3 was carried out (note that this is different from the website checking of 423 websites).

In general, legal disclaimers and statements relating to consumers needing to verify factual information were identified for hotel review websites (Category 1), hotel bookings and reviews websites (Category 2) and travel agency or travel websites (Category 3). On the other hand, there were less detailed terms and conditions specifically pertaining to fake, false and misleading reviews for other types of sites e.g. social networking platforms (Category 5), blogs and online forums (Category 6). This is not surprising however, given that such sites do not typically provide transactional intermediary services directly themselves.

In general, the terms and conditions examined suggest that hotel reviews website **operators do not generally accept legal responsibility** for false, fake and misleading reviews and this is made explicitly clear in their terms and conditions of use. Almost all the websites reviewed stated that the **use of information on the site by consumers is at the users' own risk**. They furthermore state that they do not admit any legal responsibility for the accuracy of hotel reviews posted by

consumers, or information and content provided by third parties (e.g. hotels themselves), or for any subsequent detriment suffered by consumers[17]. Indeed, some hotel review websites expand upon their statement of exclusion of liability by explicitly stating that they do not undertake monitoring and screening activities and as such are not legally liable. In some cases, there was explicit mention that the company policy is not to actively monitor materials submitted by third parties, rather, they rely on reporting/ complaints from consumers and others.

Despite disclaiming legal responsibility for fake or false content, most of the selected websites examined have a 'zero tolerance' policy on misleading and/or fake reviews. Indeed, some of the hotel review websites assessed included a specific statement in their terms and conditions of use relating to the **posting of fraudulent or malicious reviews**. They make clear that users that breach terms and conditions will be banned from using the site in future.

Overall, no instances were identified of hotel review websites where the operator accepts full legal responsibility for information posted by third parties (whether consumers or hotels). Understandably, the business model is inherent upon the provision of information from third parties which is difficult to verify; as such, it would not be possible to make operators fully legally responsible for all information posted without severe impacts on the viability of the business model.

7.6   Summary of key findings

The key finding from the legal analysis in respect of the effectiveness of current legislation and regulatory enforcement activities is that current EU legislation, notably the Unfair Commercial Practices Directive, protects consumers against misleading and/or fake reviews adequately, at least, in theory. There is, however, a need for better enforcement and guidance on the applicability of existing legislation – both by ensuring that Member State enforcement authorities are sufficiently aware of the problem and are able to investigate and take appropriate action upon legitimate complaint, but also by ensuring that through the CPC Regulation, there is further cooperation between Member States, including the sharing of good practices and enforcement.

A review of terms and conditions of review websites shows that hotel reviews website operators do not generally accept legal responsibility for false, fake and misleading reviews and this is made explicitly clear in their terms and conditions of use. Almost all the websites reviewed stated that the use of information on the site by consumers is at the users' own risk. They furthermore state that they do not admit any legal responsibility for the accuracy of hotel reviews posted by consumers, or information and content provided by third parties (e.g. hotels themselves), or for any subsequent detriment suffered by consumers. However, it should be pointed out that legal questions about the level of liability for providers of online information platforms are complex and much less clear-cut than what the operators themselves would seem ready to admit.

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[17]   For example, one website explicitly states that users will indemnify the review website and its affiliates for all damages, losses, costs and expenses in relation to claims brought by any third party

8. Possible additional measures for addressing misleading and/or fake reviews

8.1 Overview

The analysis in Section 6 identified **various types of verification and authentication measures** which have been put in place to address the problem of misleading and/or fake reviews. These include: identity-based verification (e.g. using personal details such as full name, date of birth, location, etc.); verification using technical measures (e.g. checking of IP address); verification using detection and filtering systems (e.g. automatic screening using text-based algorithms); verification by editorial teams (e.g. human screening and investigation upon complaint), etc. However, it is clear that these approaches are not adopted on a wide-spread or consistent basis across the reviews industry. As noted in Section 6, some companies (e.g. new entrants into the reviews industry) do not always have the resources (or in some cases, incentive) to focus on eliminating fake reviews. For some companies, the introduction of advanced authentication and verification mechanisms would more likely occur when the review website is more established and has reached a certain mass in terms of members and website traffic.

The analysis of EU consumer protection legislation in Section 7 showed that the **existing consumer protection law does provide consumers with protection from misleading and/or fake reviews**. The discussions also showed that review website operators do make voluntary undertakings (including signing up to initiatives to develop good practices) with regard to their commitment to screen reviews and eliminate misleading and/or fake reviews. Indeed, some industry experts appear to believe that the problem of misleading and/or fake reviews is best tackled through security and technological measures, such as the use of authentication measures to check that users posting consumer reviews are genuine, screening and detection measures and investigation of specific instances of fake reviews, as necessary. The stakeholder discussions during the Trust Online seminar (European Consumer Summit, 2014) also indicated that certain types of fake reviews (e.g. those which can be caught by proprietary software and algorithms) would likely be largely eradicated in the near future, as more companies obtain the resources to develop or purchase these software or dedicated companies start to offer these sorts of services. With this in mind, it was also suggested that the key sources of fake reviews to focus on (looking into the future) are those which rely on more sophisticated or subtle techniques (e.g. provision of incentives) (European Consumer Summit, 2014).

Overall, it would, therefore, appear that the issue is not so much the lack of appropriate verification measures, but **the extent to which the various measures have been taken up at an industry-wide or EU level** and how these keep up with technological and market changes. This means that, any additional measures need to focus on measures which can be easily understood by relevant stakeholders, implemented across the industry on a more wide-spread basis (rather than by individual review websites) and can make a practical difference to consumers.

This section discusses possible additional measures for addressing misleading and/or fake reviews, drawing on the suggestions and recommendations made by industry, consumer organisations and public authorities in the consultation undertaken for this study.

These additional measures have been structured to address the specific findings (or areas of concern) identified in this report, relating to the:

- Presentation of hotel reviews (Section 8.2);
- Verification mechanisms on hotel review websites (Section 8.3); and
- Review polices and terms and conditions covering how misleading and/or fake reviews are dealt with (Section 8.4).

Section 8.5 covers feedback from the stakeholder consultation on the possible additional measures and a discussion of challenges related to their implementation.

8.2   Presentation of hotel reviews

8.2.1 Summary of concerns identified

Section 4.2 described the findings of the website checking exercise in relation to how reviews are typically presented on hotel review websites. In particular, it found that there was a:

- **Lack of time limits on reviews posted online** – around 90% of the websites checked did not limit the reviews to a fixed number of years, which means that reviews which may be outdated (and in some cases, no longer applicable) are still available to the consumer or are taken into consideration when arriving at the final hotel score/rating;

- **Lack of explanation of the scoring or rating system on review websites** - only around 30% of websites checked provided some explanation of their scoring or rating system;

- **Lack of transparency and clarity on commercial relationships** between review website operators and hotel operators - only 2% of websites checked make any reference to sponsorship information on their website and how it might affect the positioning of reviews. It is clear that this practice occurs but it is not disclosed to consumers.

- **Need to ensure consistent provision of information to consumers across user platforms** (particularly, with regard to mobile websites and smartphone apps).

8.2.2 Actions to improve presentation of reviews

In order to address these concerns, the following actions could be taken to improve the presentation of reviews on hotel review websites:

- **Review website operators should apply time-limited display of reviews**: It is important that the validity of reviews which are taken into account for calculating the scores or rating of hotels is limited to a specific time limit. In this context, it is worth noting that the guidelines ("benchmarks of fair practices in online distribution") prepared by the European industry association (HOTREC) recommend that after two years, reviews should be taken off from review websites. Similarly, the AFNOR standard specifies that, for the hotel and catering sector, the maximum time limit for taking account of ratings in the overall rating calculation is two years.

▪ **Review websites should clearly set out the scoring/rating criteria being used**: The methodology and ranking criteria used on review websites should be clearly explained on the website, especially if there is an agreement between review website operators and hotel operators to be featured more prominently in exchange for payment. It may also be relevant to consider whether there is a role for harmonised ranking criteria which would benefit both consumers (i.e. ease of comparison across portals) and hotels (i.e. to avoid being ranked against services they do not provide).

▪ **Review websites operators should provide more clarity and visible information on sponsorship**: Where the content or positioning of reviews has been influenced (or perceived to be influenced) by payments from, or sponsorship of, particular companies, this must be clearly indicated at the very top of the reviews, where it is easily visible. Consumers need to be aware of agreements between review website operators and hotels listed on their websites in order to understand the context of any information provided on their websites. Indeed, one authority noted that it is important that that more information is made available to authorities (and consumers) regarding the main beneficiaries from the activities of review websites.

▪ **Review websites should ensure consistent provision of information to consumers across user platforms** (particularly, with regard to mobile websites and smartphone apps).

8.3 Verification mechanisms on hotel review websites

8.3.1 Summary of concerns identified

Section 4.3 described the findings of the website checking exercise in relation to how reviews posted online are verified. In particular, it found that:

▪ Despite the **verification measures** already in place on some review websites (in Section 6), the website checking exercise found that around one in four websites would allow a consumer to post a review directly (i.e. without creating an account or using a link from an email – effectively no user identification was requested).

▪ Around one in three websites also allowed consumers to post a review using a social media website (typically Facebook), confirming the increasing importance of social media in online reviews, as discussed in Section 2.2.3.

▪ In addition to the lack of verification of identity, there were also concerns associated with a **lack of verification of actual stay** at the hotel and the information provided in the reviews by consumers. The website checking exercise showed that consumers were required to provide some form of evidence of their actual stay in the hotel (prior to posting a review) in only 20% of websites.

Table 8-1: What do you need to post a review?		
Parameters	**Percentage**	**Numbers**
Create an account on the website	56%	140
Use another business account	2%	3
Social media accounts (e.g. Facebook)	29%	35
E-mail link or hotel booking reference	43%	65

8.3.2 Actions to verify the identity of reviewers

It is important that the identity of reviewers is verified in order to control fake reviews posted from bogus accounts by unscrupulous individuals or businesses, and to ensure that, where necessary, reviews can be traced back to a source. Indeed, many public authorities were of the view that reviews should only be provided by the consumer who made an online reservation or booked a hotel room.

Around **60% of national authorities and ECCs were of the view that website operators must compulsorily take measures to verify the identity of reviewers**; another 25% were of the view that such measures were necessary to ensure that hotel reviews are trustworthy and not abused, but not as a compulsory measure. Similarly, over **70% of consumer organisations/NGOs** were of the view that website operators must compulsorily take measures to verify the identity of reviewers while the remainder were of the view that such measures were necessary but not as a compulsory measure. **All 5 industry associations were unanimous in their view that website operators must compulsorily take measures** to verify the identity of reviewers.

Specific suggestions for action put forward by stakeholders include:

▪ compulsory provision of full name, phone number, e-mail and/or postal address by consumers posting reviews;

▪ verification of email and IP-addresses by review website operators;

▪ allowing reviews to be posted only by using questionnaires/links sent to the email addresses provided when the hotel was booked; and

▪ requesting a copy of the booking confirmation, receipt or bill (or confirmation of dates of stay) from the consumer or hotel directly.

Some stakeholders however expressed concerns about **getting the right balance between obtaining identifying information and the need to ensure anonymity and compatibility with data protection regulations**. One website operator also noted that while they have means of identifying reviewers using Facebook accounts, credit cards, etc., they found it to be significantly more valuable to identify attempts to submit fake reviews rather than to identify specific individuals. One national authority also noted that consumers are already being required to identify themselves using a large variety of passwords and PIN codes and, as such, additional identification may not be the only solution. This clearly points to the need for a combination of measures (rather than a single measure) to be put in place in addressing the issue of fake reviews. As noted by one consumer organisation and public authority:

> *"Anonymous use increases the risk of false reviews, but on the other hand, a fundamental anonymous use of the internet is important. Therefore, other measures against fake reviews have to be made, such as each user may only submit a review for a hotel, [provide] the opportunity to comment reviews by the concerned companies [and] promotion of IT systems to detect fake reviews."*

> *"Reviewers should be encouraged to develop profiles with those posting the most reviews gaining 'seniority' and greater visibility. This would help consumers to make an informed decision in choosing which reviews to trust and to make informed comparisons. Some websites are currently operating on*

*this basis but do not sufficiently highlight the various 'ranks' of reviewers. …
Quality assurance systems should be required for all review websites, with
automatic integrity tools installed to check semantics, linguistic and keyword
patterns. Repeat IP addresses, suspicious patterns and abusive language filters
should also be employed."*

8.3.3 Actions to verify that consumers actually stayed in the hotels they are reviewing

It is important that consumers only post reviews for hotels in which they have actually
stayed and that hotel operators are able to cross-check their records in order to
identify misleading and/or fake reviews. Some website operators noted that there are
technical challenges in confirming actual stay of consumers. As noted by one
operator, "*any system can be gamed"* and the use of credit card information as a
means of verification is not a guarantee against a hotel operator manufacturing
illegitimate transactions to emulate a user's behaviour. Another operator also noted
that such verification may be easier where it involves websites operated by sister
companies and more complicated if it involves unrelated website operators.

Over **70% of national authorities/ECCs and consumer organisations/NGOs
were of the view that website operators must compulsorily take measures to
verify that reviewers actually stayed in the hotels they are reviewing**. Another
15% were of the view that such measures were necessary to ensure that hotel
reviews are trustworthy and not abused but not as a compulsory measure. All 5
**industry associations were unanimous in their view that website operators
must compulsorily take measures** to verify that reviewers actually stayed in the
hotels they are reviewing.

Specific suggestions for action include:

- compulsory provision of the 'dates of stay' at the hotel by consumers posting
reviews;
- requesting a copy of the booking confirmation, receipt or bill (or confirmation of
dates of stay) from the consumer or hotel directly; and
- allowing reviews to be posted using questionnaires/links sent only to the email
addresses provided when the hotel was booked.

8.3.4 Actions to verify the information provided by consumers in reviews

**Around 60% of national authorities/ECCs were of the view that website
operators must compulsorily take measures to verify the information
provided by consumers in reviews**. Another 28% were of the view that such
measures were necessary, but not compulsory, to ensure that hotel reviews are
trustworthy and not abused. In comparison, **80% of consumer
organisations/NGOs** were of the view that website operators must compulsorily take
measures to verify the information provided by consumers. The remainder were of
the view that such measures were necessary but not as a compulsory measure. **Only
two industry associations felt that such measures were necessary on a
compulsory basis**. Responses from website operators (albeit limited) suggest that,
while they appreciate the need to verify the information provided, they try to take a
pragmatic approach to this (perhaps, taking account of the resource implications). For
instance, one website operator noted that the company takes actions to review

information provided in reviews once the number of reviews are above a given threshold. Another website operator noted that it benefits from the oversight and reporting of inaccurate information by its user community which it relies on for such verification.

Specific suggestions for action put forward by stakeholders include:

▪ providing the possibility (and alerts) to hotel operators to respond to negative reviews;

▪ having a team of editorial staff review online reviews to verify negative reviews (particularly if there is no possibility for hotel owners to respond to reviews);

▪ providing the possibility for picture evidence to be provided to substantiate claims; and

▪ compulsory provision of the 'dates of stay' and a booking reference (or similar) by the consumer.

Of course, it is the case that **if steps are taken to verify the 'identity' and 'actual stay' of consumers posting reviews, this would decrease the chances of misleading and/or fake reviews being posted**.

8.4 Dealing with misleading and/or fake reviews

8.4.1 Summary of concerns identified

Section 4.4 described the findings of the website checking exercise in relation to how review website operators' deal with misleading and/or fake reviews.

▪ Of particular concern was the **lack of a right of response for hotel operators** - less than 5% of the analysed websites provided a 'complaints procedure' to hotel operators in case they wanted to complain about a misleading and/or fake review to the website platform.

▪ **Lack of clear and consistent review policies of review website operators** – only 60% of the sites featured Terms and Conditions of use and only 4 out of 10 has a reviews policy, setting out how the reviews would be treated;

Section 7 further examined shortcomings in the availability of clear **Terms and Conditions** on review platforms and the requirements and obligations under EU law to review websites. While just over half of the websites were found to warn consumer with a disclaimer just prior to posting reviews, the Terms and Conditions currently in use by review sites show they generally tend to dismiss **responsibility** for specific reviews' contents.

8.4.2 Actions to address concerns

Provision of right of reply for hotel operators

Around 85% of the stakeholders at the Trust Online seminar (European Consumer Summit, 2014) were in **support of time-limited reviews** (i.e. reviews should be limited to a given time-period, rather than left online indefinitely). It was also noted that providing more opportunities for hotel operators to respond to (negative) reviews will help in increasing consumer trust. Indeed, some stakeholders were of the view

that allowing hotel operators to respond to reviews would be one way of verifying the information provided by consumers in reviews (see Section 8.3.4).

Moving forward, it is recommended that **responses from hotel operators should be allowed** in order to provide a more balanced view to consumers using review websites. Responses from hotel operators should however be marked and highlighted to readers, on the same page as the reviews they are responding to, in order to ensure clarity and transparency. Ranking and scoring should, in principle, not be affected by responses or exchanges between the hotel and the reviewer. Review website operators should also clarify how hotel operators can complain about misleading and/or fake reviews and set a timeframe within which to address these problems, so as to avoid honest hotel operators from suffering detriment unnecessarily.

Reviews policy of review website operators

As discussed in Section 7, a review of the Terms and Conditions of review websites shows that hotel reviews website operators do not generally accept **legal responsibility for misleading and/or fake reviews** and this is made explicitly clear in their terms and conditions of use. It is, however, the case that the level of liability for providers of online information platforms is more complex and less clear-cut than what the operators themselves set out in these terms and conditions.

One of the key points of debate at the Trust Online seminar (European Consumer Summit, 2014) was the need to clarify the issue of liability relating to online reviews. While one school of thought suggested that companies' monetising reviews should, as a result, bear responsibility for the content; industry representatives believed that it would be a disproportionate burden and approach to be held liable for individual reviews. It was then queried whether the legal responsibility for a specific review changes if a review website operator "amends" a review posted by a consumer. In this sense, it is quite telling that around 70% of websites checked stated that they have the "*right to delete reviews*"; 40% stated they had the "*right to change reviews*" and 16% stated that "*reviews will not be changed or modified*".

Moving forward, it is recommended that all review websites have **an easily visible 'reviews policy'** which sets out how they treat reviews. It would also be useful if the best approach (from the consumer perspective) for dealing with online reviews is clearly set out by relevant authorities with expertise in this area, taking account of the implications for businesses. In this context, it is worth noting that the AFNOR standard states that, while the moderation process should make it possible "*to publish or not publish a consumer review*", it should not make it possible to "*modify or remove a review from the database*"... or to "*modify all or part of the content of a consumer review (for example, correcting spelling mistakes in a review, changing a member's username, etc.)*". In addition to having a reviews policy, review websites should be encouraged to **undertake more verification of reviews** with the ultimate goal being that only verified reviews will be published. Currently, only 20% of the websites with a reviews policy stated clearly that "*only verified reviews will be published*".

8.5 Framework for future action

8.5.1 Possible approaches

As part of the consultation undertaken for this study, stakeholders were asked to indicate what additional actions were needed to address misleading and/or fake reviews. In general, there was wide support from all stakeholder groups (responding to the questionnaire) for "*National/EU wide **awareness campaigns** for consumers on fake reviews*" and the "*development of **guidance and 'best practice'** for review website operators*". There was also strong support for "*more active **monitoring** and enforcement online by authorities*". After discussion, the participants to the Trust Online seminar concluded that minimum standards at EU level for trustmarks and of **principles for reliable user reviews** would be particularly necessary (European Consumer Summit, 2014).

Amongst **consumer organisations/NGOs**, there was strong support for the "*introduction of **accreditation** schemes for websites*"; however, national authorities did not show strong support for this action (perhaps due to the fact that the logistic implications were not set out). **National authorities/ECCs** did, however, show strong support for '***voluntary standard**s*' – perhaps showing a more fundamental agreement with the consumer organisations/NGOs for some form of third-party accreditation or independent monitoring of websites. From the industry perspective, there was some acceptance of third party accreditation, in principle, if it is considered that this could bring increased consumer trust. That said, it is important to bear in mind that the sector and technological developments therein are advancing very quickly and it will be important for such accreditation to keep track with these developments (European Consumer Summit, 2014).

Table 8-2: Response to the question: What specific additional action is needed to address problems arising from misleading and/or false hotel reviews? Please indicate a maximum of three actions.			
Stakeholder Group	**Authorities and ECC**	**Consumer Orgs**	**Industry Assocs**
Number of Responses	**31**	**17**	**5**
Introduction of accreditation schemes for websites	31%	**58%**	**0%**
Introduction of voluntary standards for websites	44%	24%	20%
Development of 'best practice' guidance document for review website operators	**62%**	**47%**	**80%**
More active monitoring and enforcement online by authorities	**48%**	**65%**	**80%**
National/EU wide awareness campaigns for consumers on fake reviews	**69%**	**71%**	**60%**
Industry or sector-specific initiatives (e.g. led by industry associations)	41%	24%	40%
Company specific initiatives	7%	12%	20%
No action is required	4%	0%	0%

It was also noted that industry associations, website operators and some Member State authorities were in support of "industry or sector-specific initiatives (e.g. led by industry associations)". Many consumer organisations/NGOs did not identify this amongst the top three actions to be undertaken to tackle misleading and/or fake reviews (perhaps, reflecting the fact that this option clashes with a preference for third-party accreditation).

8.5.2 Potential challenges

This section discusses experiences to date based on implementation in various countries and regions, the positive aspects and the challenges faced, of the main new additional measures that got stakeholders' support:

- Voluntary standards, with or without third-party accreditation/approval;

- Development of guidelines, principles and/or best practice guidance;

- Awareness-raising activities;

- Additional monitoring and enforcement.

Voluntary standards, with or without third-party accreditation/approval

Third party accreditation, as the name implies, involves a third party cross-checking that a review website is behaving according to agreed guideline. The **AFNOR voluntary standard is an example of a recent initiative which has a third party accreditation component**. On the positive side, voluntary standards provide clarity to all parties concerned as to what is acceptable behaviour and generally result in a higher level of compliance. They also provide a reliable signal which in turn can increase consumer confidence, enhance the image of companies which abide by them and overall encourage the development of e-commerce.

However, there are concerns as to the extent to which such standards can become too prescriptive. For instance, the Norme NF Z74-501 Standard specifies that hotels or other reviewed businesses are given the possibility to reply to reviews and allows for a 7-day period to do so. It is not clear the extent to which this poses an administrative burden for review website operators in terms of additional capacity to handle the communications or whether the burden is disproportionate for certain operators. There are also concerns as regards to extent to which such standards can keep up with the very rapid technological and market changes in the online arena. Despite these, it is the case that the content of standards can be quite similar to clarifications set out in best practice or other guidance documents. A standard would typically contain a set of principles and requirements relating to the collection, moderation and display of online information and assemble best practice technical verification measures and make these available to a wider audience.

In this context, some of the recommendations by stakeholders to verify the identity of reviewers and actual stay in the hotels they are reviewing (respecting privacy laws) could be addressed within standards, where these include:
- compulsory provision of full name, phone number, e-mail and/or postal address by consumers posting reviews;

- compulsory provision of the 'dates of stay' at the hotel by consumers posting reviews;

- verification of email and IP-addresses by review website operators;

- allowing reviews to be posted using questionnaires/links sent only to email addresses provided when the hotel was being booked; and

- requesting a copy of the booking confirmation, receipt or bill (or confirmation of dates of stay) from the consumer or hotel directly.

It is noted that stakeholders at the Trust Online workshop were of the view that technical measures are absolutely critical for addressing misleading and/or fake reviews in the future.

Development of guidelines, principles and/or best practice guidance

By definition, guidelines do not constitute a legally binding act and are primarily explanatory; their purpose is to provide a tool to facilitate the correct application of legal provisions. In other words, they provide instructions of a more detailed nature than are normally to be found in regulatory provisions and thus ensure a more uniform interpretation and implementation of those same provisions. They are, therefore, **highly applicable for dealing with misleading and/or fake reviews**. The setting out of "principles" (as seen in the ACCC example) also means that the guidelines can be relevant for a broad range of review websites (covering the entire typology in Section 3) as well as misdemeanours – as opposed to a more prescriptive approach – which could miss out new/emerging models or become outdated. In this context, it is worth noting that one of the strong points of the US Guidelines is that they provide specific and targeted examples, thus making it unambiguously clear what constitutes an endorsement and when and how a disclosure should be made. The practical examples in the US Guides also increase both the relevance and the usefulness of the documents and serve as a ready point of reference for advertisers and consumers alike.

The key drawback with guidelines relates to the **lack of guarantee that they will be taken up by industry**. Experience with the EU industry association HOTREC guidelines illustrates this drawback, where there has been relatively low uptake, despite the industry involvement in its preparation. Similarly, it is noted that the consumer organisation (VZBV in Germany) was only able to issue "recommendations" to businesses – while providing "consumers" with a checklist – perhaps highlighting the lack of specific regulatory stipulations to force industry behaviour change. Experience from Australia shows that the ACCC **backed up its guidelines by taking publicised enforcement action** against website operators thought to be in breach of the law, where the publicity generated from the ACCC investigations served as an additional deterrent. Similarly, in Finland, court rulings have been used to highlight the spirit and letter of the law. Marketing disguised as genuine consumer experience was the subject of legal proceedings by Finland's Market Court. Ruling 1994:17 specified that an advertisement must be recognisable as such without requiring closer examination. In addition, decision 4527/TV/11 of the Council for Mass Media in Finland determined that a television company violated good journalistic practice by placing articles which resembled news items next to clearly commercial material.

Compared with third party accreditation, the use of guidelines is less resource intensive. It may be less effective as it relies on the businesses to behave accordingly; however, in the online arena, it may have the advantage of being read and taken up by a greater number of businesses. The reality is that it is resource-intensive to constantly monitor online practices as they relate to the thousands of blogs and other review websites across multiple product groups. It is also worth noting that, by **clarifying the law and by making the guidelines easily and publicly available**, guidelines help to **improve regulatory compliance** (particularly

for new or emerging businesses and those individuals who blog as a hobby) and it is the responsibility of businesses to consult and comply with them.

Awareness-raising activities

As discussed in Section 2.3, recent studies have shown a growing suspicion on the part of consumers with regard to the quality and trustfulness of online information. Responses to the consultation showed that over half of national authorities and consumer organisations/NGOs thought that there was a need for measures in addition to those mentioned in Sections 8.2 - 8.4 above. In particular, there was a focus on measures relating to the **consumer's ability to understand the information being provided on online review websites**. More broadly, there is a need to raise consumers' awareness of:

▪ actions being taken to tackle the problem, to avoid a loss of confidence in the market;

▪ their rights and responsibilities when posting reviews, including how to deal with incentivised reviews;

▪ how they can recognise fake reviews; and

▪ actions to take when they spot fake reviews or suffer detriment as a result of these.

A number of public authorities indicated an interest in undertaking awareness campaigns; however, the **lack of information (e.g. complaints data) was indicated as a drawback in understanding the scale of the problem and the extent of campaign required**. As noted by one authority, the problem for them is that they do not get complaints from consumers on this issue – possibly because their nationals are using international websites for hotel reviews and, as such, may not feel empowered or know where/who to complain to in the event of being misled by fake reviews. It is therefore important that consumers are made aware of the presence of misleading and/or fake reviews and informed on what action to take and who to contact when these are encountered. Indeed, one of the key conclusions from the Trust Online seminar (European Consumer Summit, 2014) was that there is a need for **awareness-raising activities targeted at consumers regarding the reliability of user-reviews and their responsibilities when posting reviews.**

A key advantage of awareness-raising activities is that there are multiple approaches which can be adopted. Awareness-raising activities could range from including articles in the local press and magazines (e.g. in Netherlands) to providing educational materials for consumers on websites (e.g. in the US, Germany, etc.) to more extensive and expensive campaigns on print, radio and TV. This means that there is significant scope for collaboration between various stakeholder groups and departments to undertake such activities at local, national or across Member States to maximise resources and ensure thematic consistency. Indeed, it is noticeable that the majority of enforcement activities described in Section 6 combined enforcement activities with awareness-raising activities.

In undertaking any awareness-raising activities, it is also important to remember that businesses are also affected by misleading and/or fake reviews. The TripAdvisor survey (2013) showed that 65% of European businesses perceive traveller reviews as very important and around 80% of them are concerned about the potential impact of negative reviews. In this context, it is quite telling that none of the Member State authorities (and only two consumer organisations) responding to the study questionnaire were aware of actual cases where businesses have suffered financial

loss or other damage as a result of misleading and/or fake reviews (although this could relate to the fact that the questionnaire was sent to authorities responsible for consumer protection, rather than enterprise).

In combination with guidelines, raising the awareness of consumers and businesses can help to **increase relevant reporting of complaints** to public authorities and consumer associations which can take injunctive action.

Additional monitoring and enforcement

Responses to the consultation showed that wide support from all stakeholder groups for "*more active monitoring and enforcement online by authorities*".

Research undertaken for this study appears to suggest that one of the biggest drawbacks in this area is the **lack of awareness amongst public authorities and consumer associations** on the problem of misleading and/or fake online reviews. For instance, the discussion in Section 5.5 showed that there is very limited knowledge amongst consumer organisations and public authorities regarding the presence and activities of e-reputation organisations. Without the knowledge that there is a problem (and what to look out for), it is difficult for authorities to act. Indeed, the research into enforcement actions by national authorities (set out in Section 6) showed that national authorities (and consumer organisations) have generally acted as soon as they were aware that there were problems relating to misleading and/or fake reviews on their national market.

Linked to the lack of awareness is the lack of knowledge on the scale of the problem at national and EU levels. Consultation with stakeholders showed that some are of the view that the problem of misleading and/or fake reviews is more prevalent in certain Member States. However, it is unclear whether this perception is a reflection of the level of media interest generated in specific countries, as opposed to the actual prevalence in different countries. Of course, a key problem with collating complaints data is that **consumers do not necessarily react to fake reviews** by reporting to authorities; some will respond by writing (another) online review and expressing their disappointment in the product/service, some will manage the product with its flaws, while others will decide not to use the product/service or website in the future. Even for those that wish to complain, some consumers do not feel they can complain about fake reviews which they had read on websites outside of their own country.

Another key challenge for enforcement is the **lack of hard legal evidence** of the problem and how to deal with culprits (i.e. issues surrounding proving fault and liability). A practical challenge relates to the question of whom to serve with a notice to produce evidence when fake reviews are suspected. Online review platforms are, in general, are 'publishers' of reviews provided by consumers and, as such, may not be liable for fake reviews (exact level of liability can only be determined on a case-by-case basis). Pursuing the business to which the fake review pertains is possible; however, there is not always a link between the business and the review platform. Pursing the individual posting the review is also difficult logistically; while a review platform can provide the IP address from which the review was made, this information by itself is limited. Search engine optimisation businesses and e-reputation companies (offering to provide positive reviews for a fee) also present specific challenges; in particular, obtaining evidence where these businesses are based outside the country in question or offshore.

Finally, the **resources** required to undertake enforcement in this area may be a challenge for some authorities. **Where liability has to be determined on a case-**

by-case basis, this is likely to be resource-intensive for many authorities to investigate. It is worth noting that the investigation by the New York Attorney General case (described in Section 6) bypasses/mitigates some of the problems described above facing additional enforcement; however, such action may not be available to many EU Member States due to resource reasons and national laws. Experience from Germany, however, shows that there may be a role for **consumer organisations and NGOs to assist in terms of monitoring the online reviews market, monitoring consumer complaints and market trends**. The monitoring of online reviews by website operators may also assist in identifying and exposing serial offenders.

Table 8-3 provides a summary of the strengths and weaknesses of these different approaches for addressing misleading and/or fake reviews.

In general, various stakeholders were of the view that no single approach on its own will be sufficient on its own for addressing the problem of misleading and/or fake reviews effectively and this seems to be supported by experiences in Germany. Responses to consultation indicate that the issue of misleading and/or fake consumer reviews in Germany is much smaller than it used to be a few years ago. However, this has involved a range of different (but ultimately, complimentary actions) by public authorities, consumer organisations and review website operators. The VZBV undertook a public campaign, including a press release and a video, at the time of the release of the guidelines (discussed in Section 6) in order to raise awareness on the issue. There were also surveillance activities by consumer organisations (VZBV and Stiftung Warentest) awareness campaigns and technological measures taken by website operators to detect and remove such reviews.

Table 8-3: Summary of strengths and weaknesses of potential approaches			
Measure (Target)	**Possible approaches**	**Strengths**	**Weaknesses**
1.Introduction of third-party accreditation	Introduction of **voluntary standards** for websites Introduction of **accreditation** schemes for websites	Provides prescribed requirements for websites to comply with Ensures compliance is assessed independently	May impact some stakeholders disproportionately May be too prescriptive to fit across all forms of review websites
2.Development of guidance, guidelines and/or best practice approaches	Development of '**guidelines**' or principles appropriate to various forums (e.g. blogs, social media, etc.) Development of '**best practice**' guidance for review website operators	Sufficiently flexible to be taken into account across all forms of review websites May be more effective than a prescriptive approach in terms of staying relevant	Guidelines set a benchmark but are not binding and enforcement mechanisms may be weak for best-practice guidance
3. Awareness campaigns	National/EU wide **awareness** campaigns for consumers on fake reviews	Ensures that the ultimate end users are knowledgeable about the choices they make and the (un)reliability of reviews	As fake reviews become more sophisticated they will be difficult/ impossible to spot and such campaigns may become counter-productive
4.Additional monitoring and enforcement	More active **monitoring** of online businesses and enforcement action by authorities	Will increase business and consumer confidence and provide benefits for scrupulous businesses	May require additional resources from authorities May face legal obstacles
	Monitoring of complaints and market trends by consumer organisations and NGOs	Will allow for appropriate and evidence-based policy response in future	May require additional resources
	Monitoring and more verification of reviews by website operators	Introducing more technical verify-cation approaches will directly address the problems at source and this is already accepted as part of the core business of developed platforms	Resources may be a barrier for small or new entrants into the reviews industry

8.6   Summary of key findings

Responses from various stakeholders showed strong support for **additional technical verification measures** by review website operators.   Around 60% of national authorities and ECCs (and 70% of consumer organisations) were of the view that website operators must compulsorily take measures to **verify the identity of reviewers**. Over 70% of national authorities/ECCs and consumer organisations/NGOs were also of the view that website operators must compulsorily take measures to **verify that reviewers actually stayed in the hotels they are reviewing**. All 5 industry associations were also unanimous in their view that website operators must compulsorily take measures to verify the identity of reviewers and that they actually stayed in the hotels they are reviewing.

Additional measures which could be taken to verify the identity of reviewers and actual stay in the hotels they are reviewing (respecting privacy laws) include:

- compulsory provision of full name, phone number, e-mail and/or postal address by consumers posting reviews;

- compulsory provision of the 'dates of stay' at the hotel by consumers posting reviews;

- verification of email and IP-addresses by review website operators;

- allowing reviews to be posted using questionnaires/links sent only to email addresses provided when the hotel was being booked; and

- requesting a copy of the booking confirmation, receipt or bill (or confirmation of dates of stay) from the consumer or hotel directly.

Additional measures which could be taken to verify the information provided by consumers in reviews include:
- providing the possibility (and alerts) to hotel operators to respond to reviews;

- having a team of editorial staff review postings by consumers to verify negative reviews (particularly if there is no possibility for a hotel owner to respond to reviews);

- providing the possibility for picture evidence to be provided to substantiate claims; and

- compulsory provision of the 'dates of stay' and a booking reference (or similar) by the consumer.

Stakeholders were also of the view that there is a **need for additional guidance** to assist with regulatory compliance and better enforcement of consumer protection legislation relating to online reviews, as well as a **need for awareness-raising** targeted at consumers regarding the reliability of user-reviews and their responsibilities when posting reviews.

9. Summary of key findings and recommendations

9.1 Background

The rapid increase in the uptake and use of comparison websites and online consumer reviews and the influence these can have on consumers' decisions have given rise to concerns about their trustworthiness. DG SANCO commissioned this study to focus on online reviews in the hotel sector examining, *inter alia*, the occurrence and sources of misleading and/or fake reviews, how online reviews are managed by website operators to ensure their authenticity and actions taken to address problems arising from online reviews by website operators, industry and consumer organisations and public authorities/ECCs. The study is also to identify possible ways in which the issue of misleading/fake reviews can be addressed.

The study involved: a systematic review of recent literature relating to the online hotel reviews; consultation using an online survey targeted at relevant stakeholder groups; interviews with seven selected organisations and website checking of 423 hotel review websites in the EU-28. In total, 60 responses to the online survey were received from stakeholders, with 31 responses coming from public authorities and ECCs, 17 from consumer organisations and 12 from industry associations and companies. The draft study results were presented during the 'Trust Online' seminar at the European Consumer Summit in Brussels and the key findings from the discussions have been taken into account in finalising the study findings set out in this section.

9.2 Importance of online hotel reviews and consumer trust

The development of e-commerce has meant that online reviews have become an increasingly important part of consumers' purchase decisions. Today, it is estimated that around 82% of consumers read reviews before making a purchase (ECC-Net, 2013). According to an industry survey, over 90% of travellers globally referred to online sources when planning and researching their last trip and over half are likely to have used it to arrange their holidays. The survey also found that Europeans are the most likely to have used travel review websites compared with travellers in other regions (TripAdvisor, 2013). Holidays are also one of the top five products most researched online and over half of all online shoppers bought travel and holiday accommodation online in 2012 (EC, 2013d).

There are various sources of online hotel reviews available to consumers today. These include: hotel review websites, hotel booking websites, travel websites and travel agencies, social networking websites, blogs, etc. Research undertaken for this study suggests that, in terms of number of websites, '*hotel bookings and reviews websites*' and '*travel agencies/travel websites*' are the predominant types across the EU-28. The predominance of these website types perhaps highlights the trend over the last few years for websites which only sold hotel or travel-related products to integrate reviews directly within their offering (or to embed reviews from third-party sources) in order to remain competitive. Indeed, figures from the US suggest that 63% of consumers are more likely to purchase from a website if it has product ratings and reviews and 96% of retailers ranked customer ratings/reviews as an effective tactic at driving conversion (Reviews Tracker, 2013). That said, research into business models operated by review websites undertaken for this study showed that it is difficult to know the exact business model being run by companies.

Although the practice of misleading and/or fake consumer reviews is not new, the growing awareness of internet users of such abuses has been reported to have caused some loss of confidence. Consumers value online feedback because they perceive it as impartial or, in other words, written by customers with no hidden agenda or vested interest in promoting a particular good or service (Consumer Focus, 2013). However, if hotel customers are incentivised to give a positive review or hotel operators have written fake reviews themselves, the assumption of impartiality would be false and, in fact, detrimental to a consumer seeking an independent and honest opinion.

Despite these concerns and media reports regarding incidences of fake reviews, it is the case that consumers still trust user-generated content *more* than advertisements or marketing campaigns. Indeed, recommendations from friends, colleagues or relatives and information gathered from internet websites are commonly cited as the two most important factors when making decisions about travel plans. The 2013 Local Consumer Review Survey of consumers in the US shows that consumers tend to trust online content, with 8 out of 10 stating that they *"trust online reviews as much as personal recommendations"*. This trust is, however, dependent on a number of factors, including: the policies which are put in place by review website operators, the personal and social identity of the reviewer and the extent to which hotel operators have an influence over online reviews.

9.3 Problems associated with misleading and/or fake reviews

Misleading and/or fake reviews undermine consumer confidence in the integrity of online reviews and lead to consumer, personal and structural detriment. Such detriment can result from reviews which are factually incorrect; reviews that are not genuine and written with the intention to deceive by consumers, hotel managers/staff or other parties; and/or misleading advertising and unfair marketing practices by hotel operators/ review website operators. Research undertaken for this study shows that misleading and/or fake hotel reviews come, in principle, from four main sources:

- **Consumers**: This could be done intentionally (e.g. when reviews are used as a means of blackmailing or punishing hotel operators), for self-gain (e.g. when incentives are offered to them to provide a review or to satisfy a pseudo-online expert status acquired from providing reviews) or in misconception (e.g. when consumers have unrealistic expectations or anger over a service they expected).

- **Hotel operators**: This could be done directly (for example, hotels may sometimes post fake reviews to counteract negative reviews about their service and to mitigate the impact on their online reputation), through misleading advertising or indirectly (e.g. by engaging unscrupulous e-reputation agencies to write fake reviews or by providing various incentives to consumers such as discounts, meals or drinks, service vouchers or other gifts to provide a positive or more favourable review).

- **Review website operators**: This could be done in different ways, for instance, through: systematic deletion of negative reviews or other biased manipulation of reviews, by presenting the reviews in ways that can mislead consumers or, for instance, by not declaring when they have been paid to write a review.

- **E-reputation companies**: These companies aim to assist businesses with managing their online reputation in a number of ways, where this may involve actions to promote and increase the visibility of positive reviews or to move negative comments and reviews down search engines. Some e-reputation companies have been known to manipulate the presence and visibility of consumer reviews which can be found on review websites.

It is difficult to establish a robust quantitative estimate of the problems EU consumers encounter with regard to misleading and/or fake reviews as there is no systematised or consistent data collection in Member States or across Europe at present. Even where some complaints data exist, it is also not a true reflection of the extent to which consumers encounter issues. As highlighted during consultation for this study, in practice, consumers do not necessarily react to fake reviews by reporting to authorities; some will respond by writing (another) online review and expressing their disappointment in the product/service, some will manage the product with its flaws, while others will decide not to use the product/service or website in the future. Even for those that wish to complain, some consumers do not feel they can complain about fake reviews which they had read on websites outside of their own country.

Responses from various stakeholders, however, show that majority of national authorities/ECCs and consumer organisations consider this issue to be a 'growing problem'. The study found that public authorities are not directly exposed to actual problems or complaints relating to misleading and/or fake reviews and have very limited knowledge regarding the activities of e-reputation organisations. On the other hand, industry associations have knowledge of cases where businesses have suffered from misleading and/or fake reviews (as well as the use of e-reputation organisations by hotel operators to mitigate these), while consumer organisations were aware of instances of consumers suffering detriment and/or financial loss (but not of the operations of e-reputation organisations).

If left unchecked, an increase in the incidence of misleading and/or fake reviews can result in undesirable impacts for consumers, honest hotel and review website operators. For consumers, the most typical outcome is disappointment in the actual experience compared with expectations; sometimes, there are also financial repercussions. In the medium- to long- term, the presence of misleading and/or fake reviews could mean that consumer confidence in the integrity of hotel reviews will be undermined, leading to an erosion of trust.

In addition to impacts on consumers, fake reviews have even more devastating effects for businesses. When hotels are subject to fake reviews using false pretences, there is a direct economic and financial impact on the business and its employees. Direct economic impacts include negative impacts on the prices that hotels can charge and, consequently, on their turnover, profit and employment rates and impacts on hotel review websites which, in reality, have positive economic effects on national economies and produce consumer surplus. Indeed, fake reviews hamper the ability of consumers to evaluate correctly the quality of hotels and this risks undermining consumer choice as well as impacting on honest hotel operators. A lack of confidence among consumers in their integrity may serve to undermine the business model for such sites, at least in the medium- to long- term. It is, for the reason, that a number of review website operators have put in place verification measures to address the issue of misleading and/or fake reviews.

9.4   Concerns relating to review websites

The website checking exercise aimed to establish the state of affairs in relation to the presentation of review results, the types of verification mechanisms in place for posting reviews and the manner in which review website operators deal with misleading and/or fake reviews and the following areas of concern were identified.

- **No time limits on reviews** – around 90% of the websites did not limit the reviews to a fixed number of years, which means that outdated reviews are still available to the consumer and/or taken into consideration in the final hotel score/rating.

- **Lack of transparency as to how aggregate hotel ratings systems work** - only around 30% of websites provided an explanation of their scoring or rating system.

- **Lack of transparency and clarity on commercial relationships** between review website operators and hotel operators - only 2% of websites make any reference to sponsorship information on their website.

- **Lack of verification of reviews and reviewers** - consumers are able to post a review directly on one in four websites without creating an account or using a link from an email. In only 20% of websites, consumers were required to provide some form of evidence of their actual stay in the hotel in order to post a review.

- **Inconsistencies in review policies of review website operators** - only 60% of websites featured 'Terms and Conditions' on their website and only 4 out of 10 websites had a 'reviews policy' which set out how reviews would be treated.

- **The lack of a right of response for hotel operators** - less than 5% of the analysed websites provided a 'complaints procedure' to hotel operators in case they wanted to complain about a misleading and/or fake review to the review website.

During the website checking exercise, it was observed that a number of major players have review websites hosted using different domain names or, in some cases, hosted on the same website, but with a choice of languages. It was also observed that a lot of the major review websites have smartphone apps which are popular with consumers. The study identified a **need to ensure consistent provision of information to consumers across these user platforms**.

In considering these problems, it is important to recognise that there are economic benefits from positive online reviews which make this a difficult area to address. Positive consumer reviews on hotel review websites and a high ranking on reputation systems have been shown to have the potential to increase hotel bookings, occupancy rates and prices charged. Indeed, there may be particular advantages for independent hotels especially where these are located in close proximity to rivals (NBER, 2012). Also, as noted during the Trust Online workshop, the reality is that new entrants into the review market do not have the resources (or in some cases, incentive) to focus on weeding out fake reviews (European Consumer Summit, 2014). Furthermore, the manipulation of ratings systems is linked with the broader issue of the manipulation of search results through Search Engine Optimisation (SEO), which affects the visibility of a website or a web page in a search engine's 'natural' or un-paid positions.

9.5   Measures for addressing misleading and/or fake reviews

9.5.1 Existing measures

The study identified various steps which have been taken to address these problems, where these include: the **provision of guidance and targeted enforcement measures** by industry associations (HOTREC), standardisation bodies (AFNOR, France), public authorities (Finland, France, Germany, UK and Italy (on-going)) and consumer organisations (Germany); undertaking **awareness-raising** activities

(Germany, Netherlands, France) and the introduction of various forms of **technical verification and authentication measures** by industry players.

In terms of technical verification measures, these include: identity-based verification (using personal details such as full name, date of birth, location, etc.); verification using technical measures (e.g. checking of IP address); verification using detection and filtering systems (e.g. automatic screening using text-based algorithms); verification by the hotel operator, verification by editors (e.g. human screening, investigation upon complaint, etc.). The website checking exercise also showed that a number of website operators appear to provide specific guidance to their employees regarding how reviews are to be managed and published.

However, it is clear that these approaches are not adopted on a wide-spread basis. For instance, the website checking exercise undertaken for this study showed that around one in four websites would allow a consumer to post a review directly (i.e. without creating an account or using a link from an email). Interestingly, around one in three websites allowed consumers to post a review using a social media website (typically Facebook).

Industry experts do note that verification and authentication software are becoming more affordable and advances in technology have made it possible to identify certain types of fake reviews more easily (e.g. those posted from a specific IP address, a sudden increase in reviews compared with previous months or years, etc.). Of more concern to them are the more sophisticated sources of fake reviews (e.g. providing various incentives to consumers such as discount on rate, meals or drinks, service vouchers or other gifts to provide a positive or more favourable review) which are still difficult to address.

9.5.2 Role of legislation

The most relevant piece of EU legislation is the Unfair Commercial Practices Directive (UCPD - 2005/29/EC). Specifically, Articles 6 and 7 prevent traders from making misleading statements, omitting material information inter alia about the price and/or the existence, the main characteristics and the availability of products and services. Other relevant EU consumer legislation include the Consumer Rights Directive (CRD - 2011/83/EC), which will apply from 13 June 2014, and the Misleading and Comparative Advertising Directive (MCAD - 2006/114/EC). The legal analysis found that current EU legislation, notably the UCPD, protects consumers against misleading and/or fake reviews; however, there is a need for better enforcement of existing consumer protection legislation (particularly in the fast-changing online arena).

The interplay between European consumer protection, competition and data protection law is also important in the context of online reviews in the hotel sector. Better enforcement of existing legislation could to some extent be ensured by a more holistic approach, by which the different competent authorities would combine competition, consumer protection and data protection aspects through more co-ordinated enforcement actions.

A review of terms and conditions of review websites also shows that hotel reviews website operators do not generally accept legal responsibility for false, fake and misleading reviews and this is made explicitly clear in their terms and conditions of use. Almost all the websites reviewed stated that the use of information found on the review website by consumers is at the users' own risk. They furthermore state that they do not admit any legal responsibility for the accuracy of hotel reviews posted by consumers, or information and content provided by third parties (e.g. hotels

themselves), or for any subsequent detriment suffered by consumers. In practice, legal questions about the level of liability for providers of online information platforms are complex and much less clear-cut than what the operators themselves would seem ready to admit.

9.5.3 Possible additional measures

The study results also show that there is clear scope to increase the transparency and trustworthiness of online consumer reviews. Possible additional measures have been identified to address the current weaknesses and are, as follows:

- Review website operators should **apply time-limited display for online reviews**, rather than reviews being left online indefinitely. Over 80% of the stakeholders at the Trust Online seminar were in support of time-limited reviews.

- Review websites should clearly **set out the scoring/rating criteria** being used and should **provide more clarity and visible information on sponsorship**.

- Review websites should ensure **consistent provision of information to consumers across user platforms** (particularly, with regard to mobile websites and smartphone apps).

- Review websites should provide a **right of reply for hotel operators** in order to provide a more balanced view for consumers. Review website operators should also clarify how hotel operators can complain about misleading and/or fake reviews and set a timeframe within which to address these problems, so that honest hotel operators do not suffer unnecessary detriment.

- Review website operators should have **a reviews policy** which sets out clearly how they treat reviews **and provide clear, transparent and accurate information in terms and conditions as regards their responsibilities**.

9.5.4 Framework for action

Need for guidance for review website operators

The legal analysis found that current EU legislation, notably the Unfair Commercial Practices Directive (UCPD), protects consumers against misleading and/or fake reviews adequately, at least, in theory. However, it was also found that there is a **need for additional guidance** to assist with regulatory compliance and better enforcement of these laws (particularly in the fast-changing online arena). The experience from the UK (as well as Finland and Norway) shows that there is, to some extent, a lack of understanding by some review website operators (in this case, blogs and bloggers) as to how to how to ensure compliance with the relevant legislation, particularly relating to dealing with advertising and receiving incentives. Experience from guidelines prepared by various organisations within the EU (e.g. HOTREC, AFNOR, etc.) and outside the EU (e.g. in the USA and Australia) also shows that guidelines have an important and helpful role in clarifying how businesses can ensure that they ensure a high level of consumer protection.

By providing instructions of a more detailed nature, guidelines help ensure a more uniform interpretation and implementation of relevant legal provisions and, as such, they would be highly applicable for dealing with misleading and/or fake reviews. In developing such guidelines, it is important to bear in mind that the issues relating to misleading and/or fake reviews identified in this report are not unique to the hotel sector (which has guidelines (albeit, poorly taken up) developed by the industry

association, HOTREC). Indeed, around 80% of the stakeholders at the Trust Online workshop considered the experiences in the hotels sector relating to misleading and/or fake reviews to be similar to those in other sectors. As such, for the future, **it is recommended to develop some broad principles or guidelines** which would assist businesses in dealing with misleading and/or fake reviews, covering online reviews in general (rather the hotels sector only). It will be important to clearly define the scope of the guidance to ensure that it strikes the right balance between depth and breadth. While it would clearly be efficient to cover online reviews in general (rather the hotels sector) only in any guidance, it may be considered whether there is a need to cover the wider family of comparison tools and issues arising from these. It is, however, important that the pros and cons of drafting guidance in this area, based on experiences from within and outside the EU are taken into account.

Need for additional verification and authentication measures

Research undertaken for this study found that there are various verification and authentication measures which have been put in place by review website operators to deal with misleading and/or fake reviews. These include checking of email/IP address, using detection and filtering systems (e.g. automatic screening using text-based algorithms), human screening, etc. Indeed, some industry experts are of the view that the problem of misleading and/or fake reviews is best tackled through security and technological measures. The study, however, found that the issue is not so much the unavailability of appropriate technical measures, but the extent to which these verification measures have been taken up at an industry-wide or EU level and concerns over how these keep up with technological and market changes. It is, therefore, recommended that the **industry continue to work to develop these technical verification measures** and ensure that these become more widely available (at reasonable cost e.g. for proprietary software) to other operators. In this regard, it is noted that the development of voluntary standards (such as the AFNOR/proposed ISO standard) may be of benefit in ensuring that **verification measures which can be easily understood and implemented by review website operators are introduced across the industry** on a more wide-spread basis (rather than by individual review websites).

Need for awareness-raising activities

Research undertaken for this study suggests that one of the key drawbacks in dealing with misleading and/or fake reviews is the **lack of awareness** amongst public authorities and consumer associations on the problem of misleading and/or fake online reviews. The discussion of enforcement actions by national authorities in Section 6 also showed that national authorities and consumer organisations have generally acted as soon as they were aware that there were problems relating to misleading and/or fake reviews on their national market. Review website operators are also taking steps (including some in the pipeline) to address the problems from misleading and/or fake reviews as they become aware of these.

Linked to the lack of awareness is the lack of knowledge on the scale of the problem at national and EU levels. Various stakeholders stressed the need for measures relating to the consumer's ability to understand the information being provided on online review websites. Indeed, one of the key conclusions from the Trust Online seminar (European Consumer Summit, 2014) was that there is a **need for awareness-raising targeted at consumers regarding the reliability of user-reviews and their responsibilities when posting reviews**. In combination with guidelines, awareness-raising targeted at consumers and businesses can help to increase relevant

reporting of complaints to consumer associations and public authorities which can take injunctive action. Indeed, experiences from some Member States show that there may be a role for consumer organisations and NGOs to assist in terms of monitoring the online reviews market, monitoring consumer complaints and market trends.

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ANNEX 1

STUDY QUESTIONNAIRES

Online consumer reviews are an area of particular concern for the hotels sector. These reviews allow consumers to participate in the evaluation and comparison of products and services, however, some issues identified include: cases where paid advertising have been camouflaged as spontaneous user testimonials, cases of flooding of positive reviews organised by companies, removal of negative reviews, targeting of respectable businesses with biased negative reviews submitted by their competitors, etc.

DG SANCO has commissioned this study to focus in-depth on the use of online consumer reviews in hotels, consumers' reliance on such reviews and possible harm caused by biased presentation of reviews or fake reviews. To assist us with this study, we would be grateful if you could complete the short questionnaire below.

The deadline for receiving responses is 28 February 2014. However, if you will need more time to provide your response, please contact the Project Manager, Tobe Nwaogu by e-mail (tobe.nwaogu(AT)rpaltd.co.uk) or telephone (+44 1508 528465).

*1. Please provide the following details:

Contact Name:

Organisation:

City/Town:

Location (Country):

Email Address:

Phone Number:

2. Please indicate which of the following best describes the nature of the content (or information) which can be found on your organisation's website:

- ○ Hotel reviews information

- ○ Hotel bookings information (no purchase possible; click-through for purchase possible)

- ○ Hotel bookings (purchase of hotel rooms)

- ○ Travel information (e.g. hotels, flights, train schedules, vehicle hire, etc.)

- ○ Information on other products and services (e.g. electronics, news, cars, fashion, etc.)

3. Please indicate which of the following best describes the types of activities that can be undertaken on your organisation's website:

- ○ Read hotel reviews only

- ○ Post, discuss and read hotel reviews

- ○ Compare, review and/or purchase hotel bookings

- ○ Compare, review and/or purchase travel-related services and products

- ○ Compare, review and/or purchase non-travel related services and products

- ○ Social media platform

4. Please indicate in which of the following regions your organisation operates. If you indicated "EU-28", please indicate the specific countries below:

☐ EU-28   ☐ Asia   ☐ North America

☐ EEA   ☐ Australia   ☐ Other

☐ Africa   ☐ South America

5. If you answered "EU-28" to Question 4, please indicate which of the following countries your organisation operates in.

☐ Austria   ☐ Germany   ☐ Poland

☐ Belgium   ☐ Greece   ☐ Portugal

☐ Bulgaria   ☐ Hungary   ☐ Romania

☐ Croatia   ☐ Ireland   ☐ Slovakia

☐ Cyprus   ☐ Italy   ☐ Slovenia

☐ Czech Republic   ☐ Latvia   ☐ Spain

☐ Denmark   ☐ Lithuania   ☐ Sweden

☐ Estonia   ☐ Luxembourg   ☐ United Kingdom

☐ Finland   ☐ Malta

☐ France   ☐ Netherlands

Other (please specify)

[   ]

6. In your view, how big is the problem of misleading and/or false hotel reviews (whether by businesses or consumers) in the country (or countries) where you operate?

○ It is not a problem   ○ It is a minor problem   ○ It is a major problem

○ There are isolated cases   ○ It is a growing problem

✱7. In your view, is the problem of misleading and/or false hotel reviews a bigger problem in some countries compared to others? If YES, please provide details on which countries or regions you consider this to be a growing or major problem.

○ Yes   ○ No   ○ Not applicable

If you answered "Yes", please provide details:

[   ]

*8. Are you aware of cases where businesses have suffered financial loss or other damage as a result of misleading and/or false hotel reviews? If YES, please provide details below.

○ Yes ○ No ○ Not applicable

If you answered "Yes", please provide details:

[ ]

*9. Are you aware of cases where consumers have suffered financial loss or other damage as a result of misleading and/or fake hotel reviews? If YES, please provide details below.

○ Yes ○ No ○ Not applicable

If you answered "Yes", please provide details:

[ ]

*10. Does your organisation have any means of verifying the identity of consumers providing hotel reviews (i.e. that the reviewers are actual people)? If YES, please provide details:

○ Yes ○ No ○ Not applicable

If you answered "Yes", please provide details:

[ ]

*11. Does your organisation have any means of confirming that consumers providing hotel reviews actually stayed in the hotels they are reviewing? If YES, please provide details:

○ Yes ○ No ○ Not applicable

If you answered "Yes", please provide details:

[ ]

*12. Does your organisation have any means of reviewing the accuracy of information provided in the hotel reviews posted by consumers (whether they are positive or negative reviews)? If YES, please provide details:

○ Yes ○ No ○ Not applicable

If you answered "Yes", please provide details:

[ ]

*13. Has your organisation adopted any specific measures aimed at recognising fake hotel reviews? If YES, please provide details:

○ Yes   ○ No   ○ Not applicable

If you answered "Yes", please provide details:

[text box]

*14. Does your organisation have specific guidance provided to employees regarding how reviews are to be managed and published? If YES, please provide details:

○ Yes   ○ No   ○ Not applicable

If you answered "Yes", please provide details:

[text box]

15. In your view, what are the strengths and weaknesses of the approach taken by your organisation in terms of verifying the identity of consumers and whether they actually stayed in the hotel?

Strengths [   ]

Weaknesses [   ]

16. In your view, what are the strengths and weaknesses of the approach taken by your organisation in terms of verifying the accuracy of information provided?

Strengths [   ]

Weaknesses [   ]

17. On a scale of 1 – 10, where 10 is the highest score possible, how would you compare your organisation's approach to verifying the identity, actual stay and information provided in hotel reviews to those of other companies in the hotel sector?

○ 1   ○ 2   ○ 3   ○ 4   ○ 5   ○ 6   ○ 7   ○ 8   ○ 9   ○ 10

18. Do you have plans to improve your approaches to verifying the identity, actual stay and information provided in hotel reviews in future? If YES or POSSIBLY, could you suggest what such improvements could entail?

○ Yes   ○ Possibly   ○ No

If you answered "Yes" or "Possibly", please provide details:

[text box]

19. In your view, what specific additional action is needed to address problems arising from misleading and/or false hotel reviews? Please indicate a maximum of three actions.

☐ Introduction of accreditation schemes for websites

☐ Introduction of voluntary standards for websites

☐ Development of 'best practice' guidance document for review website operators

☐ More active monitoring and enforcement online by authorities

☐ National/EU wide awareness campaigns for consumers on fake reviews

☐ Industry or sector-specific initiatives (e.g. led by industry associations)

☐ Company specific initiatives

☐ No action is required

Other (please specify your answer)

20. Kindly indicate which of the following sources of revenue apply to your organisation.

☐ Pay-per-click (you receive a fee every time a consumer clicks on an offer)

☐ Pay-per-order (you receive a fee from the seller for concluded purchases)

☐ Charges for enhanced visibility (i.e. websites pay for more visibility when offers are being compared)

☐ Subscription fees (users pay a fee)

☐ Funded by an company/organisation

☐ Voluntary donations by users

☐ Free service (e.g. for social purposes)

Other (please specify or clarify your answer)

21. Would you be interested in participating in a workshop to explore in more detail (alongside policy makers and other stakeholders) how to address the problems arising from fake reviews in the hotel sector?

○ Yes

○ No

Thank you very much for answering our questions.

Online consumer reviews are an area of particular concern for the hotels sector. These reviews allow consumers to participate in the evaluation and comparison of products and services, however, some issues identified include: cases where paid advertising have been camouflaged as spontaneous user testimonials, cases of flooding of positive reviews organised by companies, removal of negative reviews, targeting of respectable businesses with biased negative reviews submitted by their competitors, etc.

DG SANCO has commissioned this study to focus in-depth on the use of online consumer reviews in hotels, consumers' reliance on such reviews and possible harm caused by biased presentation of reviews or fake reviews. To assist us with this study, we would be grateful if you could complete the short questionnaire below.

The deadline for receiving responses is 28 February 2014. However, if you will need more time to provide your response, please contact the Project Manager, Tobe Nwaogu by e-mail (tobe.nwaogu(AT)rpaltd.co.uk) or telephone (+44 1508 528465).

*1. Please provide the following details:

Name:

Company:

City/Town:

Country:

Email Address:

Phone Number:

2. Please indicate which of the following best describes you or your organisation's remit.

- ○ I am/represent organisations involved in online reviews
- ○ I am/represent organisations involved in hotel room sales
- ○ I am/represent organisations involved in the travel industry
- ○ I am/represent organisations involved in non-travel products but using online reviews
- ○ I am/represent organisations involved in social media and digital products
- ○ Other

Please clarify the nature of your involvement

3. Please indicate which of the following countries your organisation operates in:

☐ Austria	☐ Germany	☐ Poland
☐ Belgium	☐ Greece	☐ Portugal
☐ Bulgaria	☐ Hungary	☐ Romania
☐ Croatia	☐ Ireland	☐ Slovakia
☐ Cyprus	☐ Italy	☐ Slovenia
☐ Czech Republic	☐ Latvia	☐ Spain
☐ Denmark	☐ Lithuania	☐ Sweden
☐ Estonia	☐ Luxembourg	☐ United Kingdom
☐ Finland	☐ Malta	☐ EU-28
☐ France	☐ Netherlands	☐ EEA

Other (please specify)

4. In your view, how big is the problem of false or fake hotel reviews (whether by businesses or consumers) in the country (or countries) where you operate?

○ It is not a problem   ○ It is a minor problem   ○ It is a major problem

○ There are isolated cases   ○ It is a growing problem

*5. In your view, is the problem of misleading and/or false hotel reviews a bigger problem in some countries compared to others? If YES, please provide details on which countries or regions you consider this to be a growing or major problem.

○ Yes   ○ No   ○ Not applicable

If you answered YES, please provide details

*6. Are you aware of cases where businesses have suffered financial loss or other damage as a result of misleading and/or false hotel reviews? If YES, please provide details below.

○ Yes   ○ No   ○ Not applicable

If you answered "Yes", please provide details:

*7. Are you aware of cases where consumers have suffered financial loss or other damage as a result of false or fake hotel reviews? If YES, please provide details below.

○ Yes   ○ No   ○ Not applicable

If you answered "Yes", please provide details:

[text area]

*8. Are you aware of any data (or studies) relating to false or fake hotel reviews and/or problems arising from these? If YES, please provide details below?

○ Yes   ○ No   ○ Not applicable

If you answered "Yes", please provide details:

[text area]

9. E-reputation companies aim to assist companies with managing their online reputation in a number of ways. This may involve action to promote and increase the visibility of positive reviews or to move negative comments and reviews down search engines. Are you aware of E-reputation companies assisting hotel businesses with online reviews?

○ I am aware of E-reputation companies assisting hotel operators with online reviews

○ I am aware of E-reputation companies, but not in the hotels sector specifically

○ I am not aware of E-reputation companies

Please provide additional details

[text area]

10. Has your organisation taken any specific actions to assist businesses with the problem of false or fake hotel reviews? If YES, could you please provide more details about the action your organisation took (e.g. preparing codes of conduct, best practice guides, etc.)?

☐ Best Practice Guide   ☐ Voluntary Standard   ☐ No action taken

☐ Code of Conduct   ☐ Workshop   ☐ Not applicable

☐ Guidelines   ☐ Other

Please provide more details:

[text area]

*11. Has your organisation taken any specific actions in general to protect consumers from being misled by fake hotel reviews (e.g. awareness campaigns, publishing guidance to businesses on how reviews are to be managed, etc.)?

○ Yes   ○ No   ○ Not applicable

If you answered "Yes", please provide details:

[ ]

12. In your view, how effective have these specific actions been in combating fake hotel reviews posted online? Please answer below.

○ Very effective

○ Effective

○ Uncertain

○ Not effective

13. In your view, what measures must website operators take to ensure that hotel reviews are trustworthy and not abused?

	Yes	Yes, but not compulsory	No
They must take measures to verify the identity of reviewers	○	○	○
They must take measures to verify that reviewers actually stayed in the hotels they are reviewing	○	○	○
They must take measures to verify the information provided by consumers in reviews	○	○	○
They must take other additional measures (please specify)	○	○	○

Please specify "additional measures"

[ ]

14. In your view, what are the best approaches (i.e. best practice) for hotel review websites to adopt in terms of:

Verifying the identity of reviewers [ ]

Verifying that reviewers actually stayed in the hotels [ ]

Verifying the information provided by consumers in reviews [ ]

15. In your view, what specific additional action is needed to address problems arising from misleading and/or false hotel reviews? Please indicate a maximum of three actions.

☐ Introduction of accreditation schemes for websites

☐ Introduction of voluntary standards for websites

☐ Development of 'best practice' guidance document for review website operators

☐ More active monitoring and enforcement online by authorities

☐ National/EU wide awareness campaigns for consumers on fake reviews

☐ Industry or sector-specific initiatives (e.g. led by industry associations)

☐ Company specific initiatives

☐ No action is required

Other (please specify or clarify your answer)

[ ]

*16. Are you aware of any measures taken (or in the pipeline) to tackle the problem of false or fake reviews in other countries (including in non-European countries)?

○ Yes   ○ No   ○ Not applicable

If you answered "Yes", please provide details:

[ ]

17. Would you be interested in participating in a workshop to explore in more detail (alongside other policy makers and stakeholders) how to address the problems arising from fake reviews in the hotel sector.

○ Yes

○ No

Thank you very much for answering our questions.

Online consumer reviews are an area of particular concern for the hotels sector. These reviews allow consumers to participate in the evaluation and comparison of products and services, however, some issues identified include: cases where paid advertising have been camouflaged as spontaneous user testimonials, cases of flooding of positive reviews organised by companies, removal of negative reviews, targeting of respectable businesses with biased negative reviews submitted by their competitors, etc.

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*1. Please provide the following details:

Name:

Company:

City/Town:

Country:

Email Address:

Phone Number:

2. Please indicate which of the following best describes your organisation's remit:

○ We are the CPC authority or SLO

○ We are a European Consumer Centre (ECC-Net)

Other (please specify)

3. Please indicate which of the following countries your organisation operates in:

☐ Austria	☐ Germany	☐ Poland
☐ Belgium	☐ Greece	☐ Portugal
☐ Bulgaria	☐ Hungary	☐ Romania
☐ Croatia	☐ Ireland	☐ Slovakia
☐ Cyprus	☐ Italy	☐ Slovenia
☐ Czech Republic	☐ Latvia	☐ Spain
☐ Denmark	☐ Lithuania	☐ Sweden
☐ Estonia	☐ Luxembourg	☐ United Kingdom
☐ Finland	☐ Malta	☐ EU-28
☐ France	☐ Netherlands	☐ EEA

Other (please specify)

4. In your view, how big is the problem of misleading and/or false hotel reviews (whether by businesses or consumers) in the country (or countries) where you operate?

○ It is not a problem

○ There are isolated cases

○ It is a minor problem

○ It is a growing problem

○ It is a major problem

*5. Are you aware of cases where businesses have suffered financial loss or other damage as a result of misleading and/or false hotel reviews? If YES, please provide details below:

○ Yes　　　　　　　　　　○ No　　　　　　　　　　○ Not applicable

If YES, please provide details

*6. Are you aware of cases where consumers have suffered financial loss or other damage as a result of misleading and/or false hotel reviews? If YES, please provide details below:

○ Yes   ○ No   ○ Not applicable

If you answered "Yes", please provide details:

[text box]

*7. Are you aware of any data (or studies) relating to misleading and/or false hotel reviews and/or problems arising from these? If YES, please provide details below:

○ Yes   ○ No   ○ Not applicable

If you answered "Yes", please provide details:

[text box]

*8. Has your organisation taken any specific actions against businesses to address the problem of fake hotel reviews? If YES, could you please provide more details about the action your organisation took; for example, who was the action aimed at, timeframe, nature of penalty involved (e.g. warnings, injunctions, administrative decisions, fines, etc.)?

○ Yes   ○ No   ○ Not applicable

If you answered "Yes", please provide details:

[text box]

9. Did the action you took concern (or are you aware of) breaches of EU legislation relating to misleading and/or false hotel reviews? If YES, which of the following legislation was breached?

○ No

○ Yes - Directive 2005/29/EC on Unfair Commercial Practices

○ Yes - Directive 2006/114/EC on Misleading and Comparative Advertising

○ Yes - Other (please specify)

Please specifiy here:

[text box]

10. E-reputation companies aim to assist companies with managing their online reputation in a number of ways. This may involve action to promote and increase the visibility of positive reviews or to move negative comments and reviews down search engines. Are you aware of E-reputation companies assisting hotel businesses with online reviews?

○ I am aware of E-reputation companies assisting businesses with hotel reviews

○ I am aware of E-reputation companies, but not in the hotels sector specifically

○ I am not aware of E-reputation companies

Please provide additional details:

∗11. Has your organisation taken any specific actions in general to protect consumers from being misled by misleading and/or false hotel reviews (e.g. awareness campaigns, publishing guidance to businesses on how reviews are to be managed, etc.)?

○ Yes   ○ No   ○ Not applicable

If you answered "Yes", please provide details:

---

12. In your view, how effective have these specific actions been in combating fake hotel reviews posted online? Please answer below.

○ Very effective

○ Effective

○ Uncertain

○ Not effective

13. In your view, what measures must website operators take to ensure that hotel reviews are trustworthy and not abused?

	Yes	Yes, but not compulsory	No
They must take measures to verify the identity of reviewers	○	○	○
They must take measures to verify that reviewers actually stayed in the hotels they are reviewing	○	○	○
They must take measures to verify the information provided by consumers in reviews	○	○	○
They must take other additional measures (please specify)	○	○	○

Please specify "additional measures"

[   ]

14. In your view, what are the best approaches (i.e. best practice) for hotel review websites to adopt in terms of:

Verifying the identity of reviewers	[ ]
Verifying that reviewers actually stayed in the hotels	[ ]
Verifying the information provided by consumers in reviews	[ ]

15. In your view, what specific additional action is needed to address problems arising from false or fakemisleading and/or false hotel reviews? Please indicate a maximum of three actions.

☐ Introduction of accreditation schemes for websites

☐ Introduction of voluntary standards for websites

☐ Development of 'best practice' guidance document for review website operators

☐ More active monitoring and enforcement online by authorities

☐ National/EU wide awareness campaigns for consumers on fake reviews

☐ Industry or sector-specific initiatives (e.g. led by industry associations)

☐ Company specific initiatives

☐ No action is required

Other (please specify or clarify your answer))

[   ]

*16. Are you aware of any measures taken (or in the pipeline) to tackle the problem of misleading and/or false reviews in other countries (including in non-European countries)?

○ Yes   ○ No   ○ Not applicable

If you answered "Yes", please provide details:

17. Would you be interested in participating in a workshop to explore in more detail (alongside other policy makers and stakeholders) how to address the problems arising from fake reviews in the hotel sector.

○ Yes

○ No

Thank you very much for answering our questions.

Online consumer reviews are an area of particular concern for the hotels sector. These reviews allow consumers to participate in the evaluation and comparison of products and services, however, some issues identified include: cases where paid advertising have been camouflaged as spontaneous user testimonials, cases of flooding of positive reviews organised by companies, removal of negative reviews, targeting of respectable businesses with biased negative reviews submitted by their competitors, etc.

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*1. Please provide the following details:

Name:

Company:

City/Town:

Country:

Email Address:

Phone Number:

2. Please indicate which of the following best describes your organisation's remit:

○ Consumer Organisation

○ Non-governmental organisation (NGO)

Other (please specify)

3. Please indicate which of the following countries your organisation operates in:

☐ Austria	☐ Germany	☐ Poland
☐ Belgium	☐ Greece	☐ Portugal
☐ Bulgaria	☐ Hungary	☐ Romania
☐ Croatia	☐ Ireland	☐ Slovakia
☐ Cyprus	☐ Italy	☐ Slovenia
☐ Czech Republic	☐ Latvia	☐ Spain
☐ Denmark	☐ Lithuania	☐ Sweden
☐ Estonia	☐ Luxembourg	☐ United Kingdom
☐ Finland	☐ Malta	☐ EU-28
☐ France	☐ Netherlands	☐ EEA

Other (please specify)

4. In your view, how big is the problem of misleading and/or false hotel reviews (whether by businesses or consumers) in the country (or countries) where you operate?

○ It is not a problem   ○ It is a minor problem   ○ It is a major problem

○ There are isolated cases   ○ It is a growing problem

*5. Are you aware of cases where businesses have suffered financial loss or other damage as a result of misleading and/or false hotel reviews? If YES, please provide details below:

○ Yes   ○ No   ○ Not applicable

If YES, please provide details

*6. Are you aware of cases where consumers have suffered financial loss or other damage as a result of misleading and/or false hotel reviews? If YES, please provide details below:

○ Yes   ○ No   ○ Not applicable

If you answered "Yes", please provide details:

*7. Are you aware of any data (or studies) relating to misleading and/or false hotel reviews and/or problems arising from these? If YES, please provide details below:

○ Yes   ○ No   ○ Not applicable

If you answered "Yes", please provide details:

*8. Has your organisation taken any specific actions against businesses to address the problem of fake hotel reviews? If YES, could you please provide more details about the action your organisation took; for example, who was the action aimed at, timeframe, nature of penalty involved (e.g. warnings, injunctions, administrative decisions, fines, etc.)?

○ Yes   ○ No   ○ Not applicable

If you answered "Yes", please provide details:

9. Did your action concern (or are you aware of) breaches of EU legislation relating to misleading and/or false hotel reviews? If YES, which of the following legislation was breached?

○ No

○ Yes - Directive 2005/29/EC on Unfair Commercial Practices

○ Yes - Directive 2006/114/EC on Misleading and Comparative Advertising

○ Yes - Other (please specify)

Please specifiy here:

10. E-reputation companies aim to assist companies with managing their online reputation in a number of ways. This may involve action to promote and increase the visibility of positive reviews, or, to move negative comments and reviews down search engines. Are you aware of E-reputation companies assisting hotel businesses with online reviews?

- ○ I am aware of E-reputation companies assisting businesses with hotel reviews
- ○ I am aware of E-reputation companies, but not in the hotels sector specifically
- ○ I am not aware of E-reputation companies

Please provide additional details:

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* 11. Has your organisation taken any specific actions in general to protect consumers from being misled by misleading and/or false hotel reviews (e.g. awareness campaigns, publishing guidance to businesses on how reviews are to be managed, etc.)?

○ Yes	○ No	○ Not applicable

If you answered "Yes", please provide details:

```
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12. In your view, how effective have these specific actions been in combating fake hotel reviews posted online? Please answer below.

○ Very effective	○ Effective	○ Uncertain	○ Not effective

13. In your view, what measures must website operators take to ensure that hotel reviews are trustworthy and not abused?

	Yes	Yes, but not compulsory	No
They must take measures to verify the identity of reviewers	○	○	○
They must take measures to verify that reviewers actually stayed in the hotels they are reviewing	○	○	○
They must take measures to verify the information provided by consumers in reviews	○	○	○
They must take other additional measures (please specify)	○	○	○

Please specify "additional measures"

```
```

14. In your view, what are the best approaches (i.e. best practice) for hotel review websites to adopt in terms of:

Verifying the identity of reviewers

Verifying that reviewers actually stayed in the hotels

Verifying the information provided by consumers in reviews

15. In your view, what specific additional action is needed to address problems arising from false or fakemisleading and/or false hotel reviews? Please indicate a maximum of three actions.

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- ☐ Introduction of voluntary standards for websites
- ☐ Development of 'best practice' guidance document for review website operators
- ☐ More active monitoring and enforcement online by authorities

- ☐ National/EU wide awareness campaigns for consumers on fake reviews
- ☐ Industry or sector-specific initiatives (e.g. led by industry associations)
- ☐ Company specific initiatives
- ☐ No action is required

Other (please specify or clarify your answer))

*16. Are you aware of any measures taken (or in the pipeline) to tackle the problem of misleading and/or false reviews in other countries (including in non-European countries)?

- ○ Yes
- ○ No
- ○ Not applicable

If you answered "Yes", please provide details:

17. Would you be interested in participating in a workshop to explore in more detail (alongside other policy makers and stakeholders) how to address the problems arising from fake reviews in the hotel sector.

- ○ Yes
- ○ No

Thank you very much for answering our questions.

SECTION A: GENERAL INFORMATION

1. Country

- ○ Austria
- ○ Belgium
- ○ Bulgaria
- ○ Croatia
- ○ Cyprus
- ○ Czech Republic
- ○ Denmark
- ○ Estonia
- ○ Finland
- ○ France

- ○ Germany
- ○ Greece
- ○ Hungary
- ○ Ireland
- ○ Italy
- ○ Latvia
- ○ Lithuania
- ○ Luxembourg
- ○ Malta
- ○ Netherlands

- ○ Poland
- ○ Portugal
- ○ Romania
- ○ Slovakia
- ○ Slovenia
- ○ Spain
- ○ Sweden
- ○ United Kingdom

2. Website

[   ]

3. Type of website checked

- ○ Hotel reviews website
- ○ Hotel bookings and reviews website
- ○ Travel agency/Travel website

- ○ Website for travel and other products
- ○ Social networking website
- ○ Blog/Online forum

SECTION B: OVERALL PRESENTATION OF REVIEWS

Presentation of the Results and Clarity of Scoring Criteria

4. What is the default setting for reviews arranged by?

○ Most recent (date)   ○ Most helpful (or best)   ○ Highest score (or rating)

○ Verified reviews   ○ Language   ○ Type of traveller

5. Can reviews be sorted by:

☐ Most recent (date)   ☐ Most helpful (or best)   ☐ Highest score (or rating)

☐ Verified reviews   ☐ Language   ☐ Type of traveller

6. What types of reviews are provided on the website?

○ Qualitative reviews only   ○ Quantitative reviews only   ○ Qualitative and quantitative reviews

7. Is the total number of reviews received on the website clearly indicated (e.g. based on 935 reviews)?

○ Yes   ○ No   ○ N/C

If 'not certain', please explain

8. Is the total number of relevant reviews limited to a given time range (e.g. based on reviews in the last 3 years)?

○ Yes   ○ No   ○ N/C

If 'not certain', please explain

9. Are the "dates of stay" of the consumer visible on the website when reading a review?

○ Yes   ○ No   ○ N/C

If 'not certain', please explain

10. How many quantitative criteria are shown?

○ 1 - 3   ○ 4 - 7   ○ 8 - 10   ○ 11 - 20   ○ >20

11. Tick which of the following are amongst the criteria

☐ Location   ☐ Facilities   ☐ Cleanliness

☐ Staff/Service   ☐ Safety   ☐ Value for money

12. Which of these tabs/links can be seen on the review website?

☐ FAQs   ☐ About us   ☐ Terms & conditions

☐ How it works   ☐ Contact us   ☐ Help

13. Which of these contact details relating to the review website (not the hotel being reviewed) can be seen?

☐ Contact name   ☐ Email address   ☐ Phone number

☐ Postal/location address ☐ Fax number   ☐ Contact form

14. Provide any additional information on the "Overall Presentation of Reviews" here

SECTION C: POSTING A REVIEW

Verification of consumer's identity, hotel stay and information posted

15. Can you post a review directly on the website (e.g. without creating an account or using a link from an e-mail)?

○ Yes   ○ No   ○ N/C

If 'not certain', please explain

16. Which of the following do you need to post a review?

☐ Create an account on the website   ☐ Social media accounts (e.g. Facebook)

☐ Use another business account   ☐ E-mail link or hotel booking reference

17. Are you required to provide evidence of actual stay in order to provide a review (e.g. a booking reference)?

○ Yes   ○ No   ○ N/C

If 'not certain', please explain

18. Is it possible for the consumer to submit photos?

○ Yes   ○ No   ○ N/C

If 'not certain', please explain

19. Is there a disclaimer/policy relating to fake reviews for reviewers to read just prior to posting a review?

○ Yes   ○ No   ○ N/C

If 'not certain', please explain.

20. Provide any additional information on "Posting a Review" here

SECTION D: DEALING WITH MISLEADING AND/OR FALSE REVIEWS

Complaints and dispute resolution approach (Terms and Conditions)

21. Is the scoring system explained on the website?

○ Yes   ○ No   ○ N/C

If 'not certain', please explain

22. When a hotel operator responds to a review, is this clearly highlighted to a consumer reading the reviews?

○ Yes   ○ No   ○ N/C

If 'not certain', please explain

23. Is there a complaints procedure specified which tells hotel operators how to complain about fake reviews?

○ Yes   ○ No   ○ N/C

If 'not certain', please explain

24. Is there a time limit specified within which complaints will be addressed?

○ Yes   ○ No   ○ N/C

If 'not certain', please explain

25. If "Yes", what is the time limit?

26. Is there a reviews policy which states how reviews will be treated?

○ Yes   ○ No   ○ N/C

If 'not certain', please explain

27. Which of the following is explicitly stated in the reviews policy?

☐ The operator has the right to change reviews   ☐ Reviews will not be changed or modified

☐ The operator has the right to delete reviews   ☐ Only verified reviews will be published

28. Is information provided on the website (or T&Cs) which clarifies that the positioning of reviews may be influenced by the sponsorship of particular companies or that the website platform is being operated by or for individual hotel or travel businesses?

○ Yes   ○ No   ○ N/C

If 'not certain', please explain

[   ]

29. Provide any additional information on "Dealing with Misleading and/or False Reviews" here

[   ]

30. Please provide any additional comments relating to the website checking here

[   ]

ANNEX 2

RESPONSES TO QUESTIONNAIRE

Q1 Please provide the following details:

Answered: 31   Skipped: 0

Answer Choices	Responses	
Name:	**93.55%**	29
Company:	**100.00%**	31
Address 1:	**0.00%**	0
Address 2:	**0.00%**	0
City/Town:	**100.00%**	31
State/Province:	**0.00%**	0
ZIP/Postal Code:	**0.00%**	0
Country:	**100.00%**	31
Email Address:	**100.00%**	31
Phone Number:	**93.55%**	29

Q2 Please indicate which of the following best describes your organisation's remit:

Answered: 30   Skipped: 1
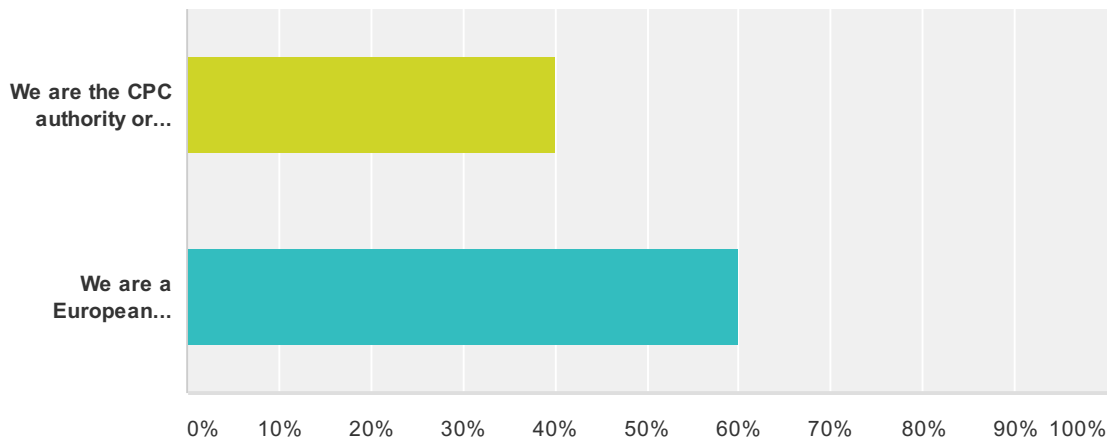
Answer Choices	Responses	
We are the CPC authority or SLO	**40.00%**	12
We are a European Consumer Centre (ECC-Net)	**60.00%**	18
Total		**30**

Q3 Please indicate which of the following countries your organisation operates in:

Answered: 30   Skipped: 1

Austria

Belgium

Bulgaria

Croatia

Cyprus

Czech Republic

Denmark

Estonia

Finland

France

Germany

Greece

Hungary

Ireland

Italy

Latvia

Lithuania

Luxembourg
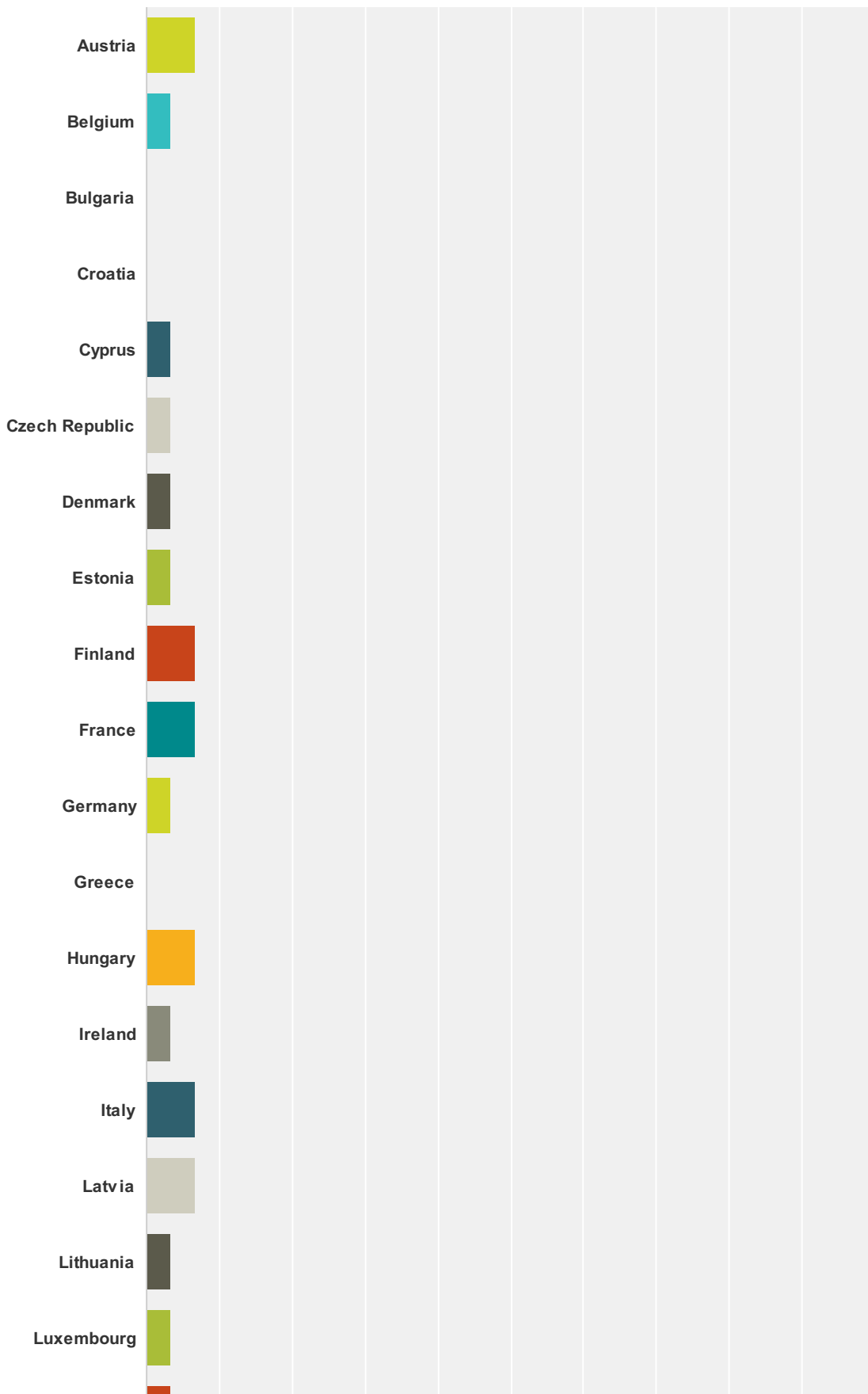
Hotel Reviews: Authorities
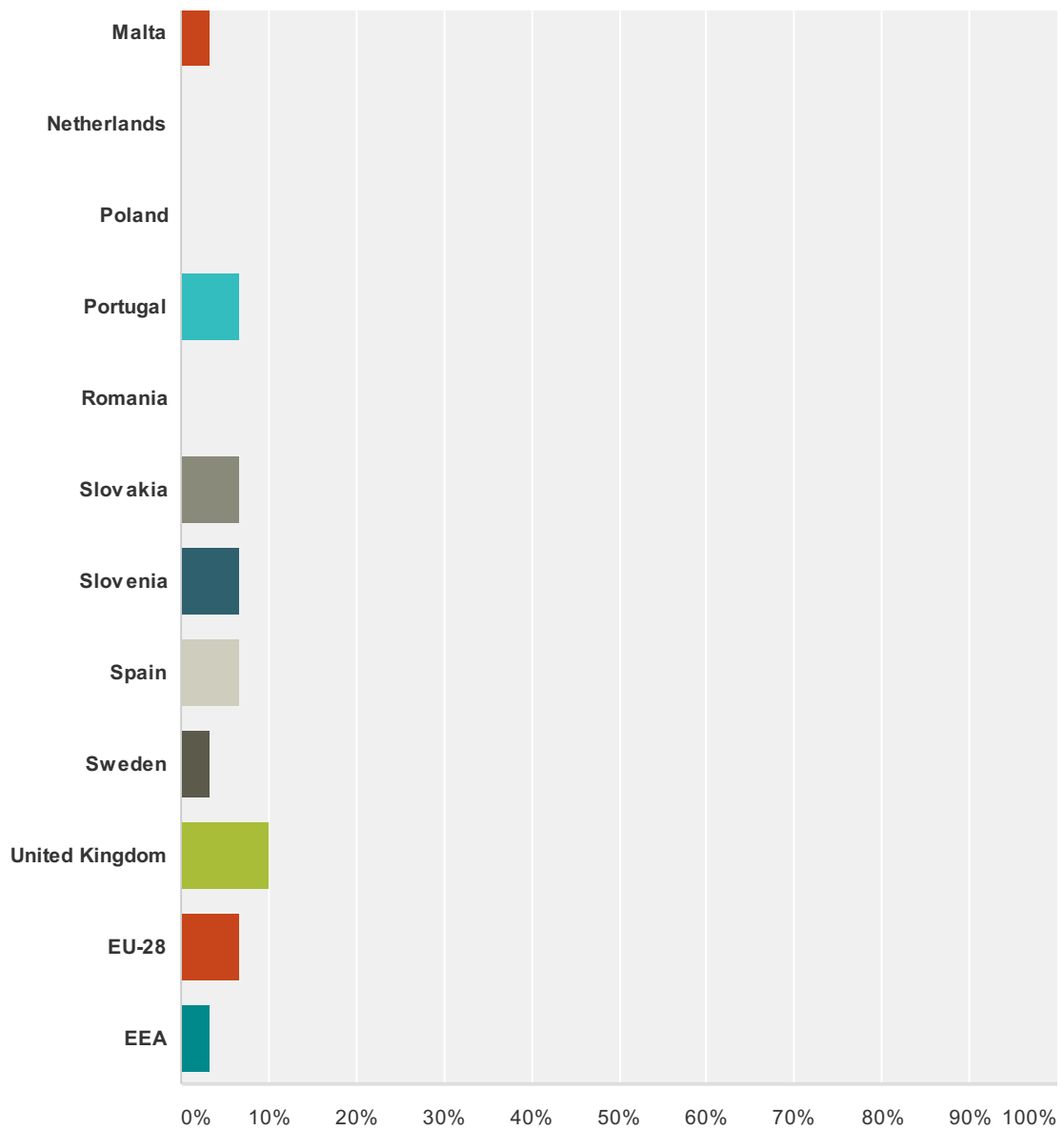
Answer Choices	Responses	
Austria	6.67%	2
Belgium	3.33%	1
Bulgaria	0.00%	0
Croatia	0.00%	0
Cyprus	3.33%	1
Czech Republic	3.33%	1
Denmark	3.33%	1
Estonia	3.33%	1
Finland	6.67%	2
France	6.67%	2
Germany	3.33%	1

Hotel Reviews: Authorities

Greece	**0.00%**	0
Hungary	**6.67%**	2
Ireland	**3.33%**	1
Italy	**6.67%**	2
Latvia	**6.67%**	2
Lithuania	**3.33%**	1
Luxembourg	**3.33%**	1
Malta	**3.33%**	1
Netherlands	**0.00%**	0
Poland	**0.00%**	0
Portugal	**6.67%**	2
Romania	**0.00%**	0
Slovakia	**6.67%**	2
Slovenia	**6.67%**	2
Spain	**6.67%**	2
Sweden	**3.33%**	1
United Kingdom	**10.00%**	3
EU-28	**6.67%**	2
EEA	**3.33%**	1
Total Respondents: 30		

Q4 In your view, how big is the problem of misleading and/or false hotel reviews (whether by businesses or consumers) in the country (or countries) where you operate?

Answered: 29   Skipped: 2
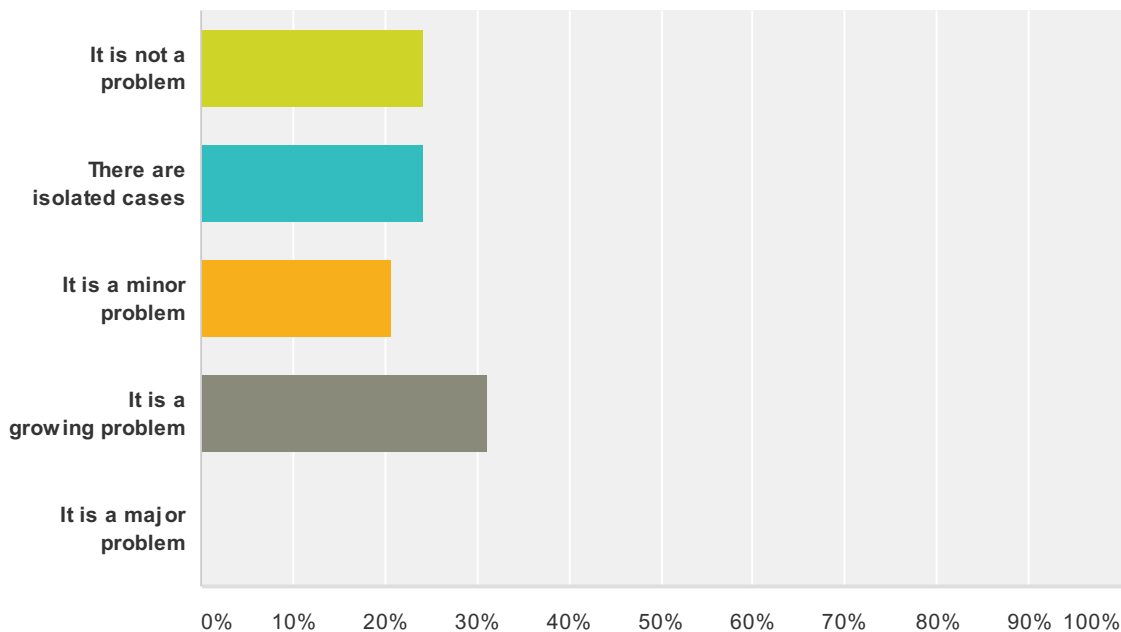
Answer Choices	Responses	
It is not a problem	24.14%	7
There are isolated cases	24.14%	7
It is a minor problem	20.69%	6
It is a growing problem	31.03%	9
It is a major problem	0.00%	0
Total		**29**

Q5 Are you aware of cases where businesses have suffered financial loss or other damage as a result of misleading and/or false hotel reviews? If YES, please provide details below:

Answered: 31   Skipped: 0
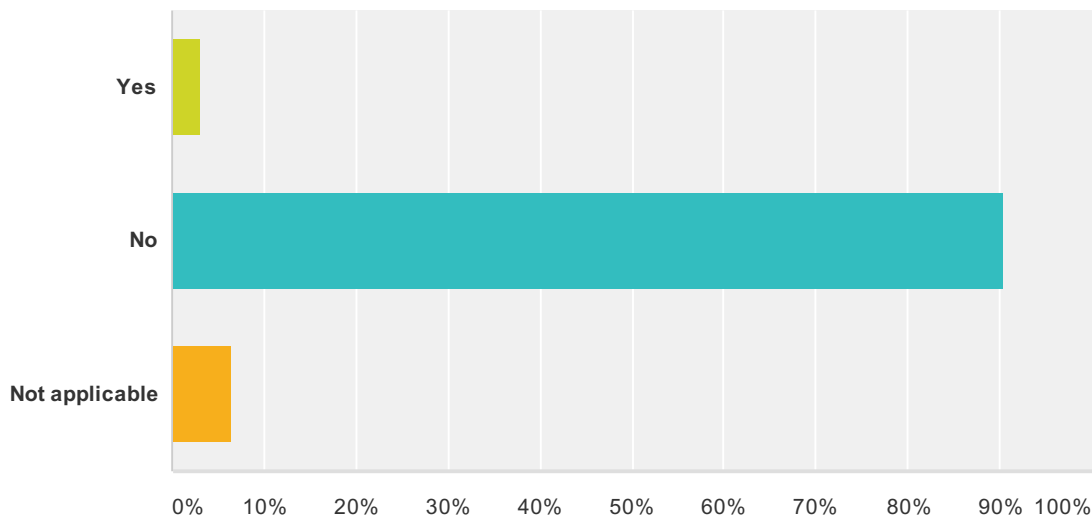
Answer Choices	Responses	
Yes	**3.23%**	1
No	**90.32%**	28
Not applicable	**6.45%**	2
Total		**31**

Q6 Are you aware of cases where consumers have suffered financial loss or other damage as a result of misleading and/or false hotel reviews? If YES, please provide details below:

Answered: 31   Skipped: 0
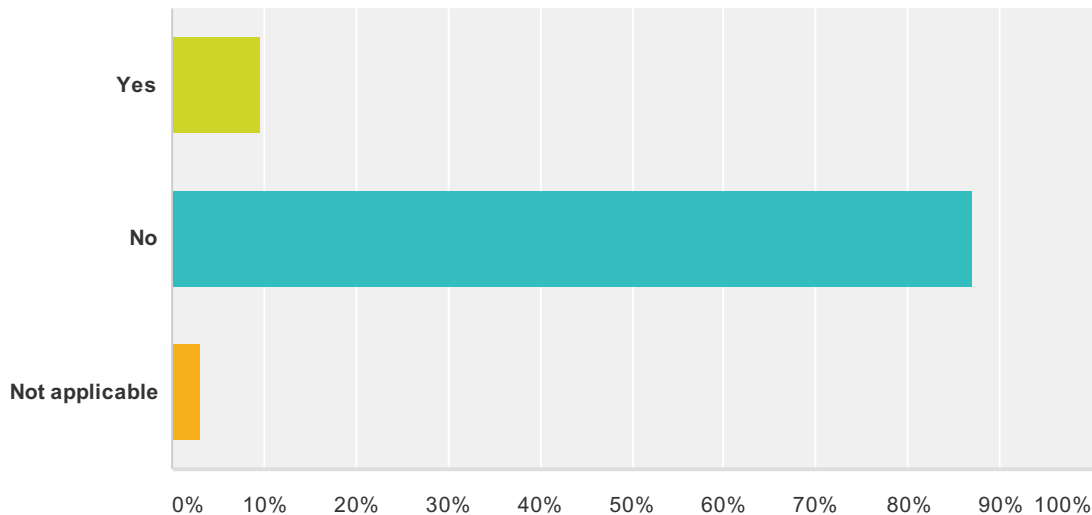
Answer Choices	Responses	
Yes	**9.68%**	3
No	**87.10%**	27
Not applicable	**3.23%**	1
Total		**31**

Q7 Are you aware of any data (or studies) relating to misleading and/or false hotel reviews and/or problems arising from these? If YES, please provide details below:

Answered: 31   Skipped: 0
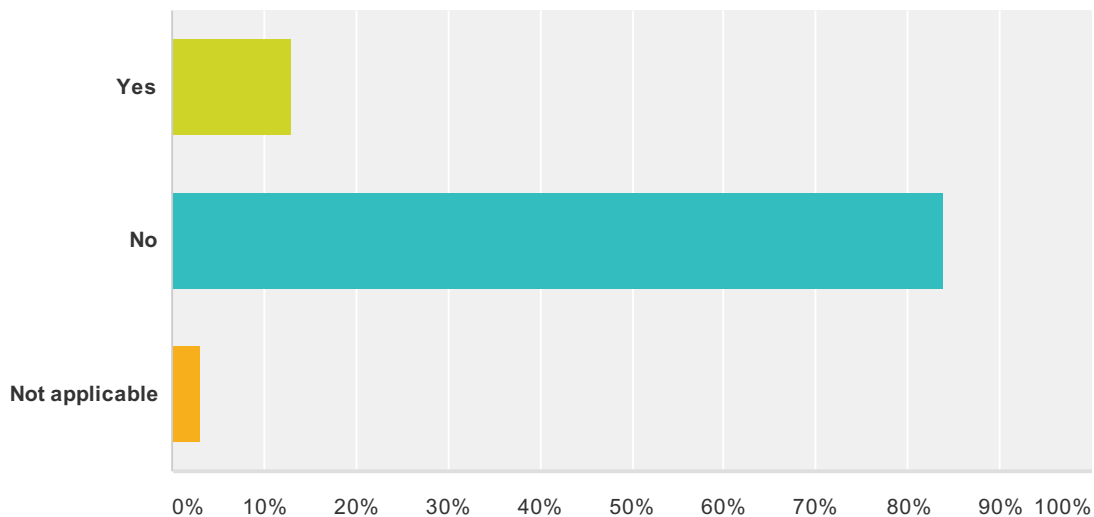
Answer Choices	Responses	
Yes	**12.90%**	4
No	**83.87%**	26
Not applicable	**3.23%**	1
Total		**31**

Q8 Has your organisation taken any specific actions against businesses to address the problem of fake hotel reviews? If YES, could you please provide more details about the action your organisation took; for example, who was the action aimed at, timeframe, nature of penalty involved (e.g. warnings, injunctions, administrative decisions, fines, etc.)?

Answered: 31   Skipped: 0
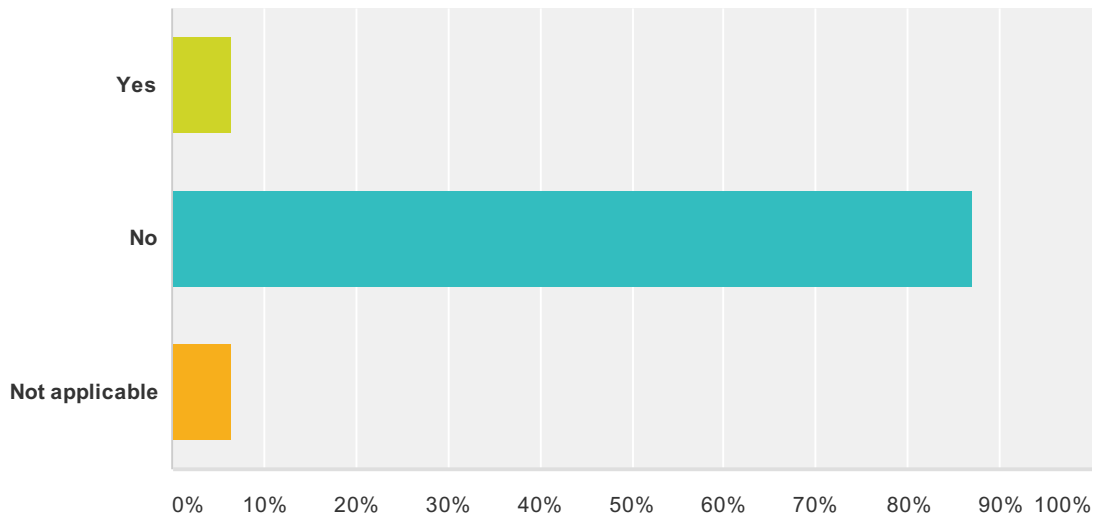
Answer Choices	Responses	
Yes	**6.45%**	2
No	**87.10%**	27
Not applicable	**6.45%**	2
Total		**31**

Q9 Did the action you took concern (or are you aware of) breaches of EU legislation relating to misleading and/or false hotel reviews? If YES, which of the following legislation was breached?

Answered: 20   Skipped: 11
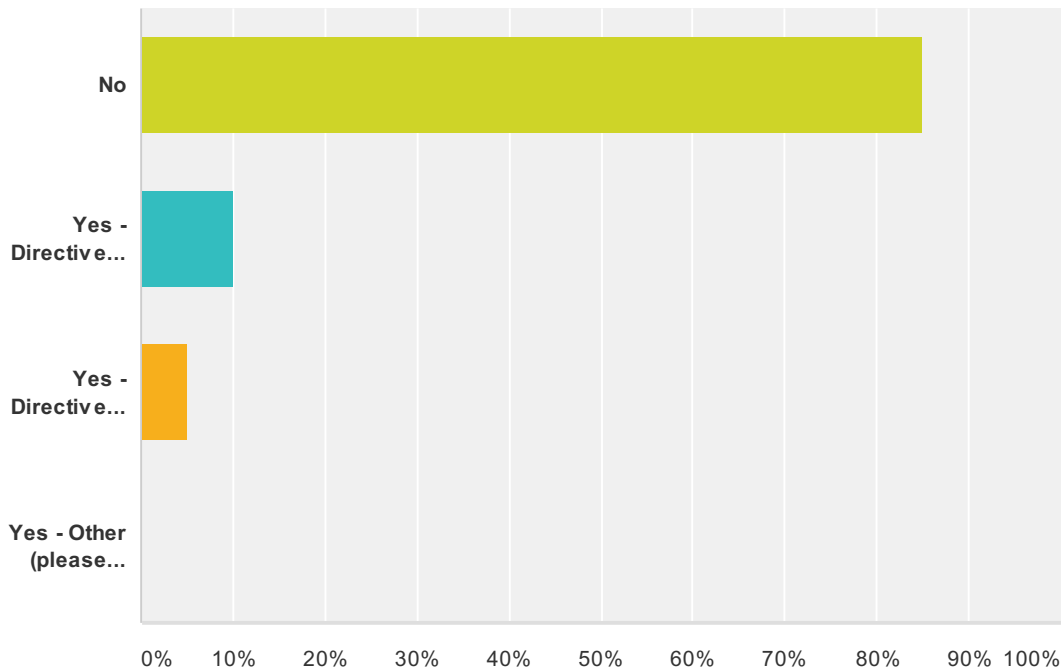
Answer Choices	Responses	
No	**85.00%**	17
Yes - Directive 2005/29/EC on Unfair Commercial Practices	**10.00%**	2
Yes - Directive 2006/114/EC on Misleading and Comparative Advertising	**5.00%**	1
Yes - Other (please specify)	**0.00%**	0
Total		**20**

Q10 E-reputation companies aim to assist companies with managing their online reputation in a number of ways. This may involve action to promote and increase the visibility of positive reviews or to move negative comments and reviews down search engines. Are you aware of E-reputation companies assisting hotel businesses with online reviews?

Answered: 31   Skipped: 0
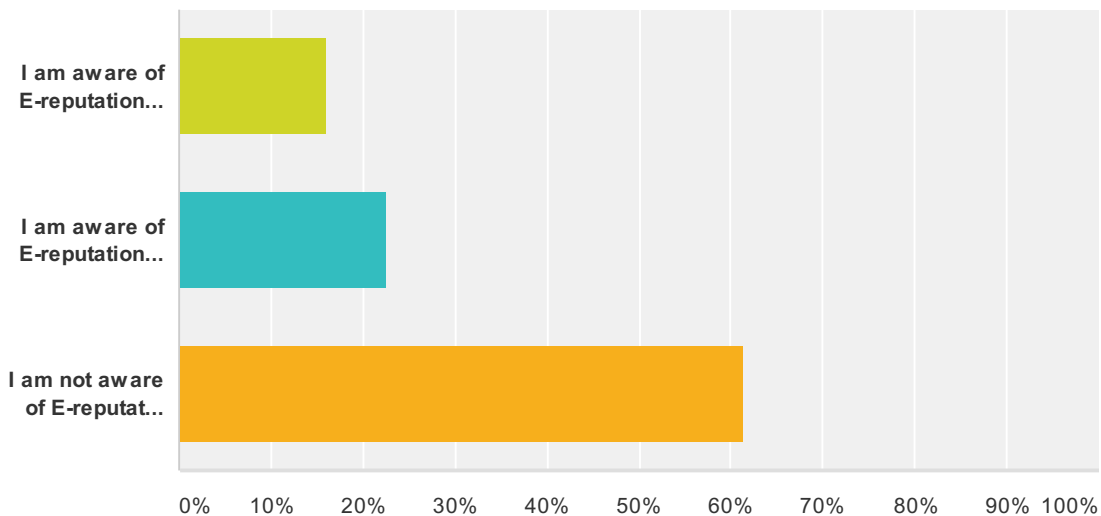
Answer Choices	Responses	
I am aware of E-reputation companies assisting businesses with hotel reviews	**16.13%**	5
I am aware of E-reputation companies, but not in the hotels sector specifically	**22.58%**	7
I am not aware of E-reputation companies	**61.29%**	19
Total		**31**

Q11 Has your organisation taken any specific actions in general to protect consumers from being misled by misleading and/or false hotel reviews (e.g. awareness campaigns, publishing guidance to businesses on how reviews are to be managed, etc.)?

Answered: 31   Skipped: 0
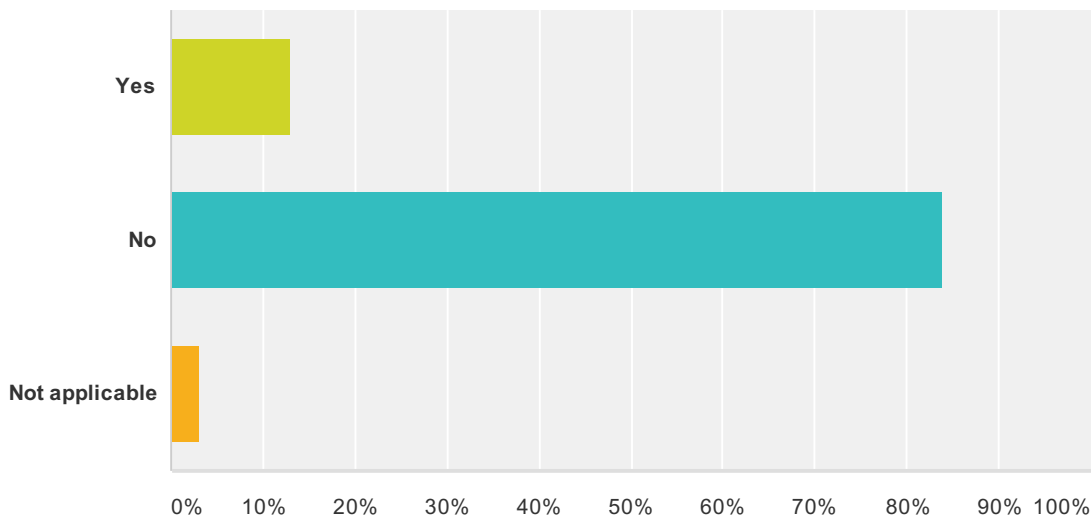
Answer Choices	Responses	
Yes	12.90%	4
No	83.87%	26
Not applicable	3.23%	1
Total		31

Q12 In your view, how effective have these specific actions been in combating fake hotel reviews posted online? Please answer below.

Answered: 17   Skipped: 14
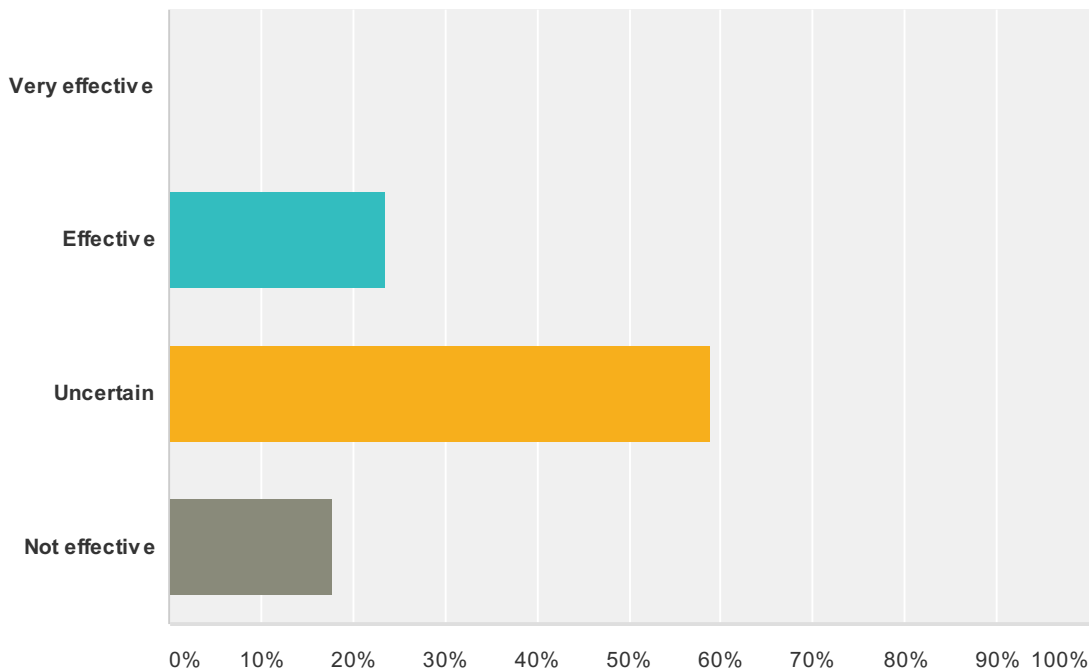
Answer Choices	Responses	
Very effective	**0.00%**	0
Effective	**23.53%**	4
Uncertain	**58.82%**	10
Not effective	**17.65%**	3
Total		**17**

Q13 In your view, what measures must website operators take to ensure that hotel reviews are trustworthy and not abused?

Answered: 29   Skipped: 2
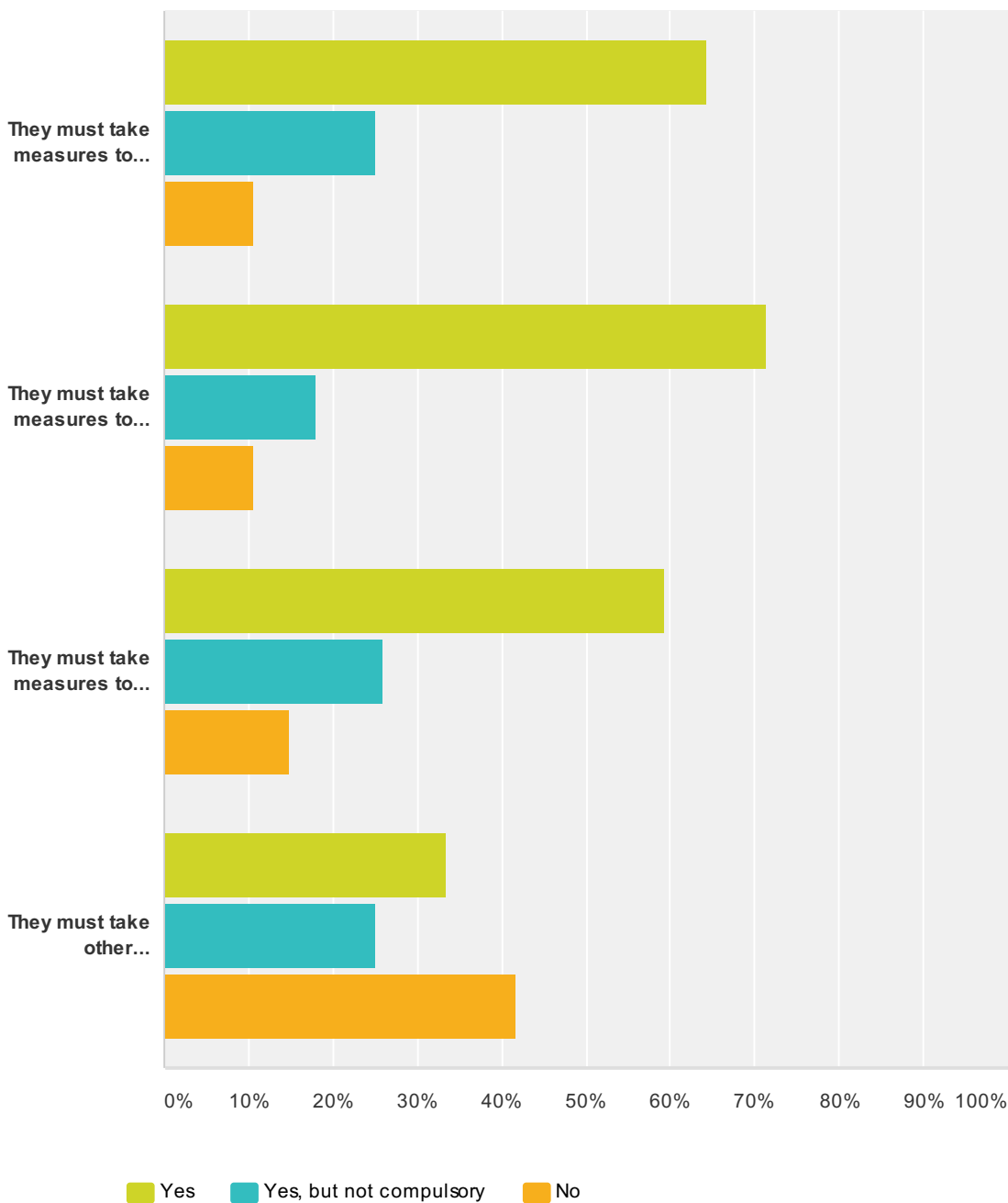
	Yes	Yes, but not compulsory	No	Total
They must take measures to verify the identity of reviewers	**64.29%** 18	**25.00%** 7	**10.71%** 3	28
They must take measures to verify that reviewers actually stayed in the hotels they are reviewing	**71.43%** 20	**17.86%** 5	**10.71%** 3	28
They must take measures to verify the information provided by consumers in	**59.26%**	**25.93%**	**14.81%**	

They must take measures to verify the information provided by consumers in reviews	59.26% 16	25.93% 7	14.81% 4	27
They must take other additional measures (please specify)	33.33% 4	25.00% 3	41.67% 5	12

Q14 In your view, what are the best approaches (i.e. best practice) for hotel review websites to adopt in terms of:

Answered: 22   Skipped: 9

Answer Choices	Responses	
Verifying the identity of reviewers	**86.36%**	19
Verifying that reviewers actually stayed in the hotels	**86.36%**	19
Verifying the information provided by consumers in reviews	**72.73%**	16

Q15 In your view, what specific additional action is needed to address problems arising from false or fakemisleading and/or false hotel reviews? Please indicate a maximum of three actions.

Answered: 29   Skipped: 2
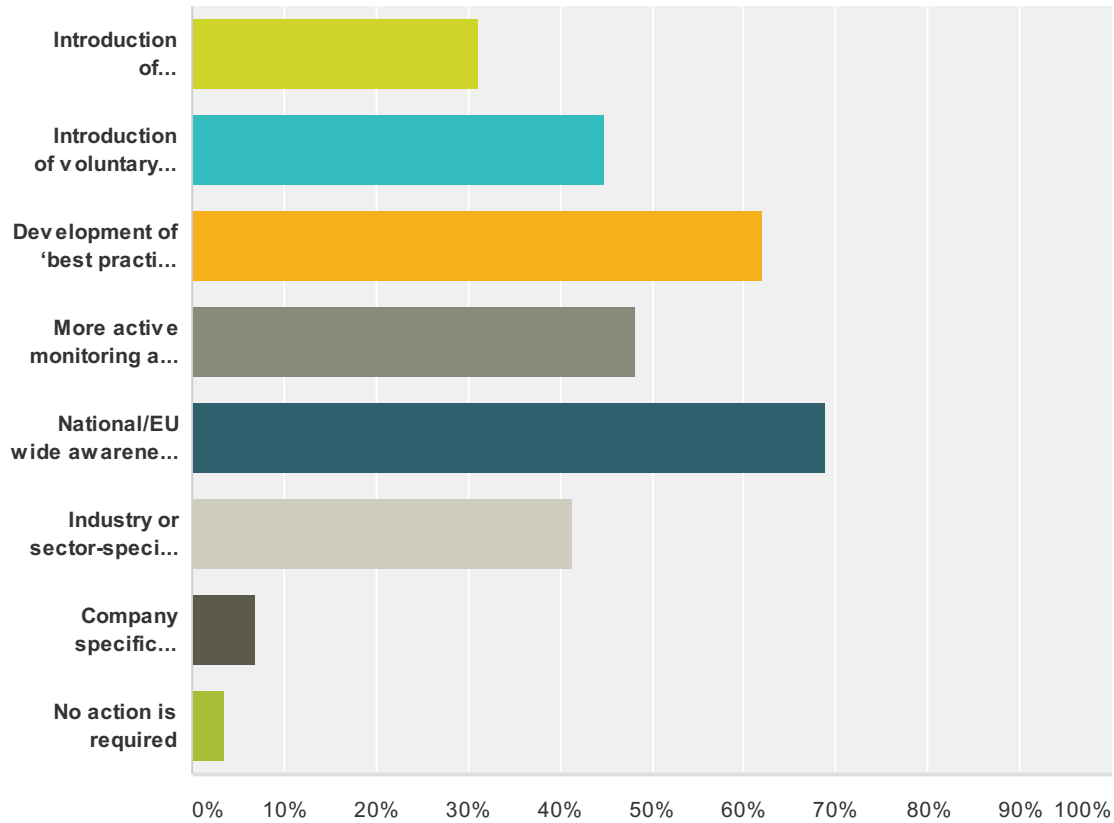
Answer Choices	Responses	
Introduction of accreditation schemes for websites	**31.03%**	9
Introduction of voluntary standards for websites	**44.83%**	13
Development of 'best practice' guidance document for review website operators	**62.07%**	18
More active monitoring and enforcement online by authorities	**48.28%**	14
National/EU wide awareness campaigns for consumers on fake reviews	**68.97%**	20
Industry or sector-specific initiatives (e.g. led by industry associations)	**41.38%**	12
Company specific initiatives	**6.90%**	2
No action is required	**3.45%**	1
Total Respondents: 29		

Q16 Are you aware of any measures taken (or in the pipeline) to tackle the problem of misleading and/or false reviews in other countries (including in non-European countries)?

Answered: 31   Skipped: 0
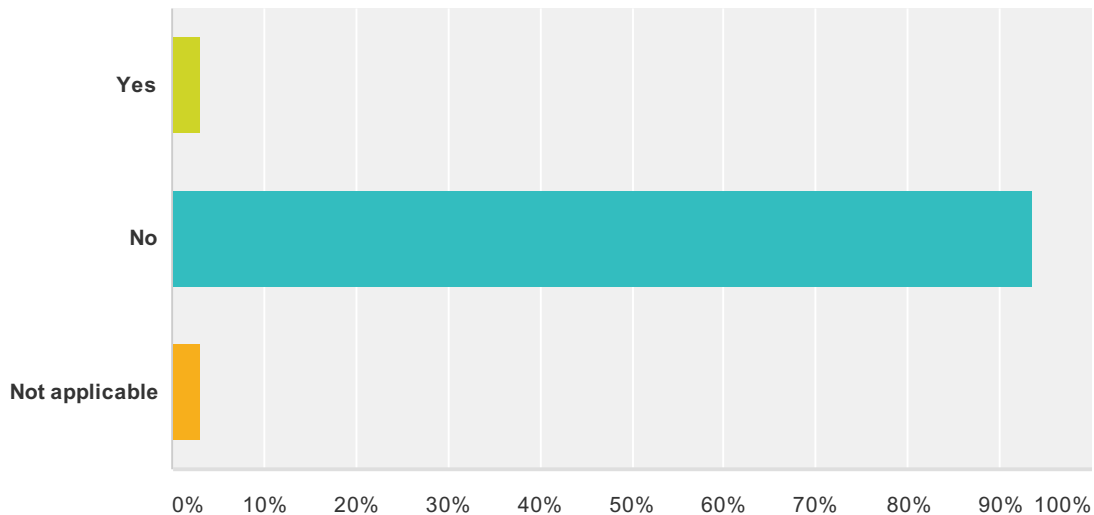
Answer Choices	Responses	
Yes	**3.23%**	1
No	**93.55%**	29
Not applicable	**3.23%**	1
Total		**31**

Q17 Would you be interested in participating in a workshop to explore in more detail (alongside other policy makers and stakeholders) how to address the problems arising from fake reviews in the hotel sector.

Answered: 30   Skipped: 1
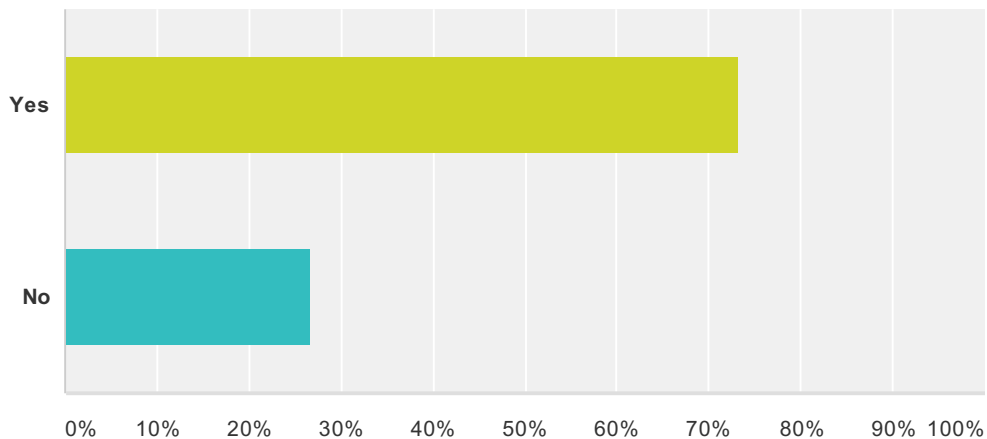
Answer Choices	Responses	
Yes	**73.33%**	22
No	**26.67%**	8
Total		**30**

Q1 Please provide the following details:

Answered: 17   Skipped: 0

Answer Choices	Responses	
Name:	**100%**	17
Company:	**100%**	17
City/Town:	**100%**	17
Country:	**100%**	17
Email Address:	**100%**	17
Phone Number:	**88.24%**	15

Q2 Please indicate which of the following best describes your organisation's remit:

Answered: 17   Skipped: 0
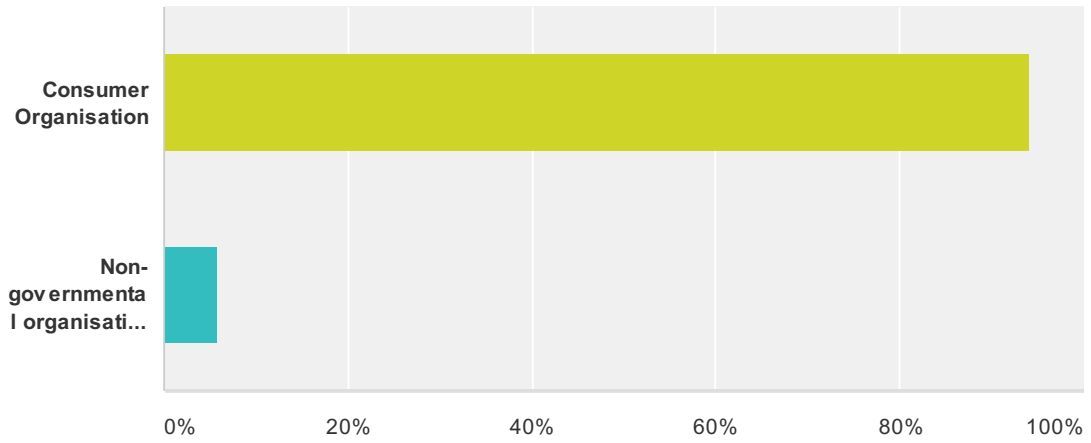
Answer Choices	Responses	
Consumer Organisation	**94.12%**	16
Non-governmental organisation (NGO)	**5.88%**	1
Total		**17**

Hotel Reviews: Consumer Organisations and NGOs

Q3 Please indicate which of the following countries your organisation operates in:
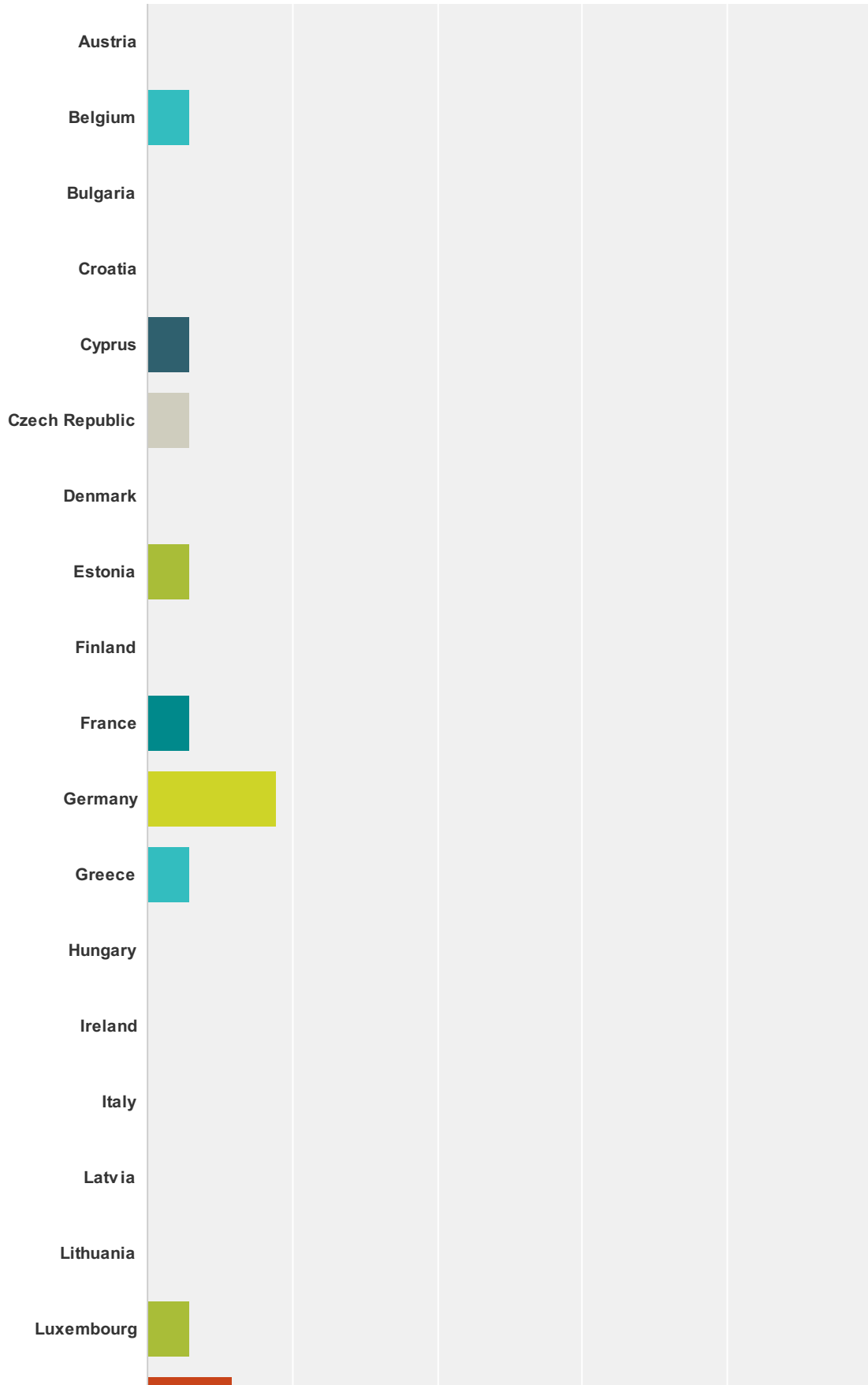
Hotel Reviews: Consumer Organisations and NGOs
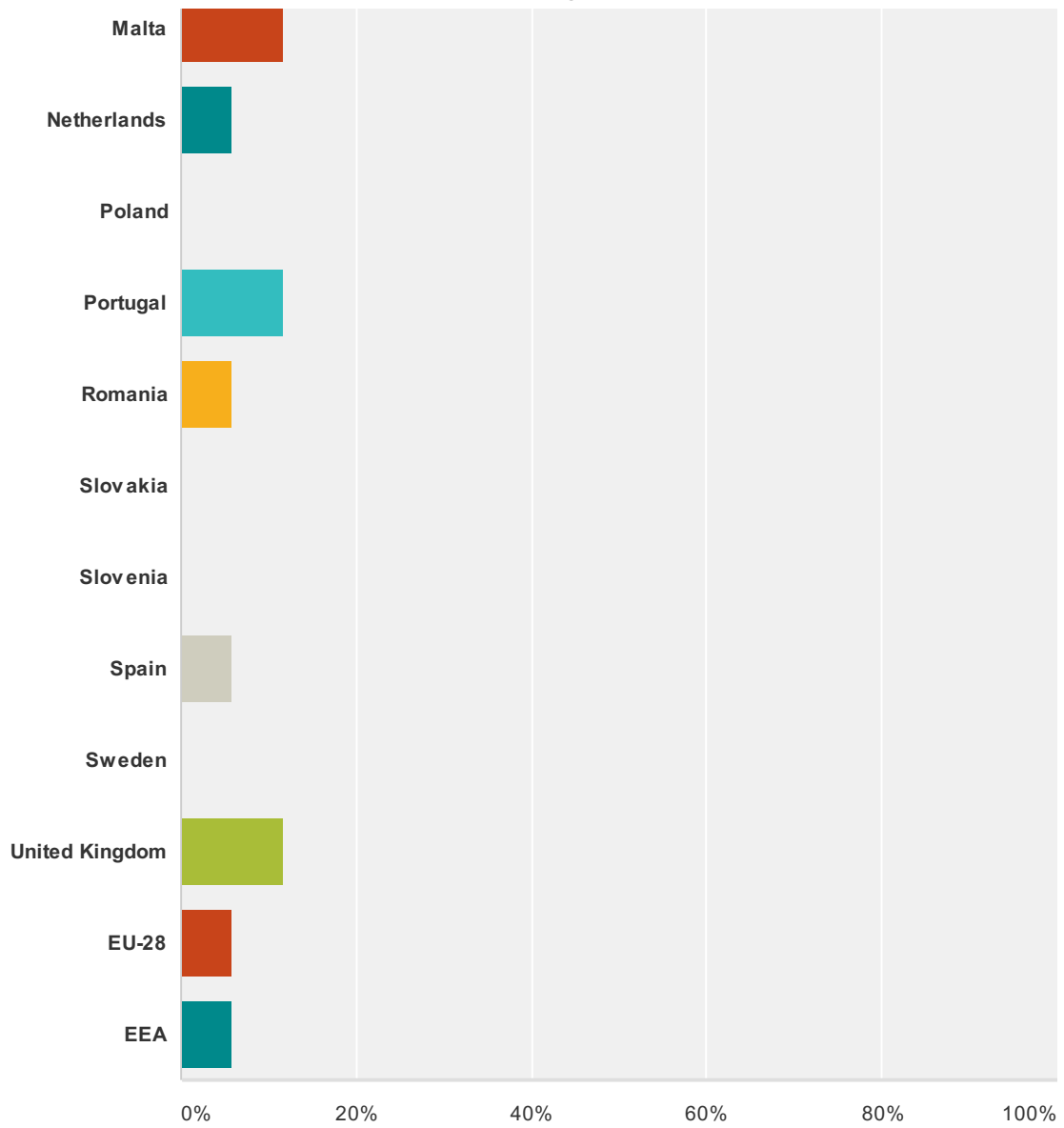
Answer Choices	Responses	
Austria	0%	0
Belgium	5.88%	1
Bulgaria	0%	0
Croatia	0%	0
Cyprus	5.88%	1
Czech Republic	5.88%	1
Denmark	0%	0
Estonia	5.88%	1
Finland	0%	0
France	5.88%	1
Germany	17.65%	3

Hotel Reviews: Consumer Organisations and NGOs

Greece	**5.88%**	1
Hungary	**0%**	0
Ireland	**0%**	0
Italy	**0%**	0
Latvia	**0%**	0
Lithuania	**0%**	0
Luxembourg	**5.88%**	1
Malta	**11.76%**	2
Netherlands	**5.88%**	1
Poland	**0%**	0
Portugal	**11.76%**	2
Romania	**5.88%**	1
Slovakia	**0%**	0
Slovenia	**0%**	0
Spain	**5.88%**	1
Sweden	**0%**	0
United Kingdom	**11.76%**	2
EU-28	**5.88%**	1
EEA	**5.88%**	1
Total Respondents: 17		

Hotel Reviews: Consumer Organisations and NGOs

Q4 In your view, how big is the problem of misleading and/or false hotel reviews (whether by businesses or consumers) in the country (or countries) where you operate?

Answered: 17   Skipped: 0
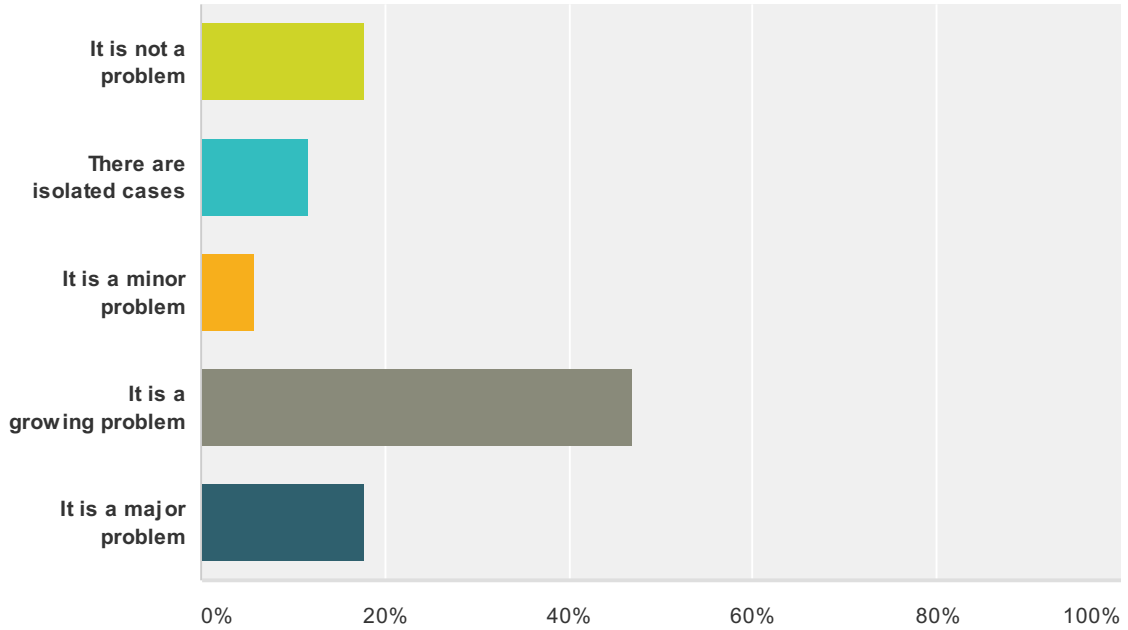
Answer Choices	Responses	
It is not a problem	17.65%	3
There are isolated cases	11.76%	2
It is a minor problem	5.88%	1
It is a growing problem	47.06%	8
It is a major problem	17.65%	3
Total		17

Q5 Are you aware of cases where businesses have suffered financial loss or other damage as a result of misleading and/or false hotel reviews? If YES, please provide details below:

Answered: 17   Skipped: 0
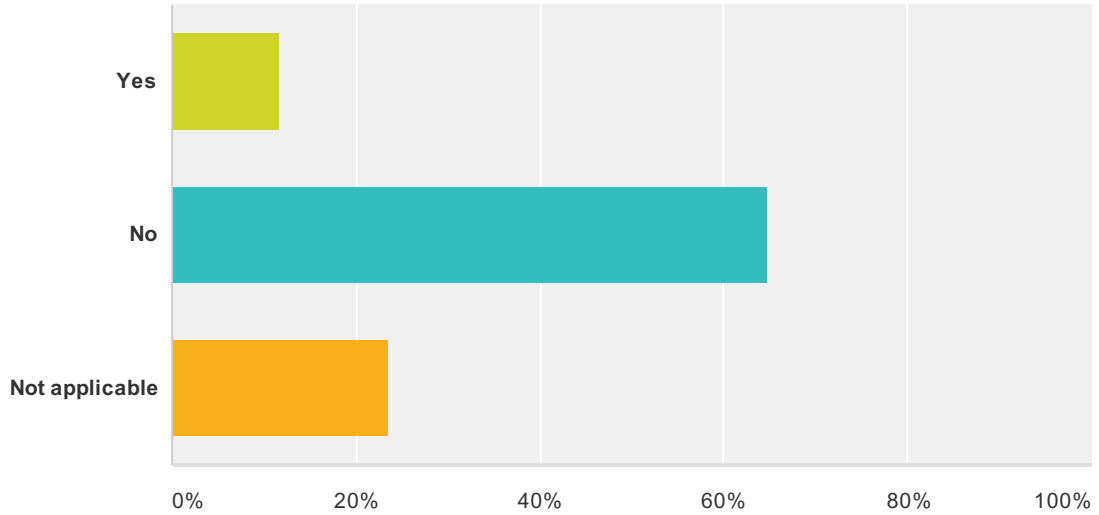
Answer Choices	Responses	
Yes	**11.76%**	2
No	**64.71%**	11
Not applicable	**23.53%**	4
Total		**17**

Q6 Are you aware of cases where consumers have suffered financial loss or other damage as a result of misleading and/or false hotel reviews? If YES, please provide details below:

Answered: 17   Skipped: 0
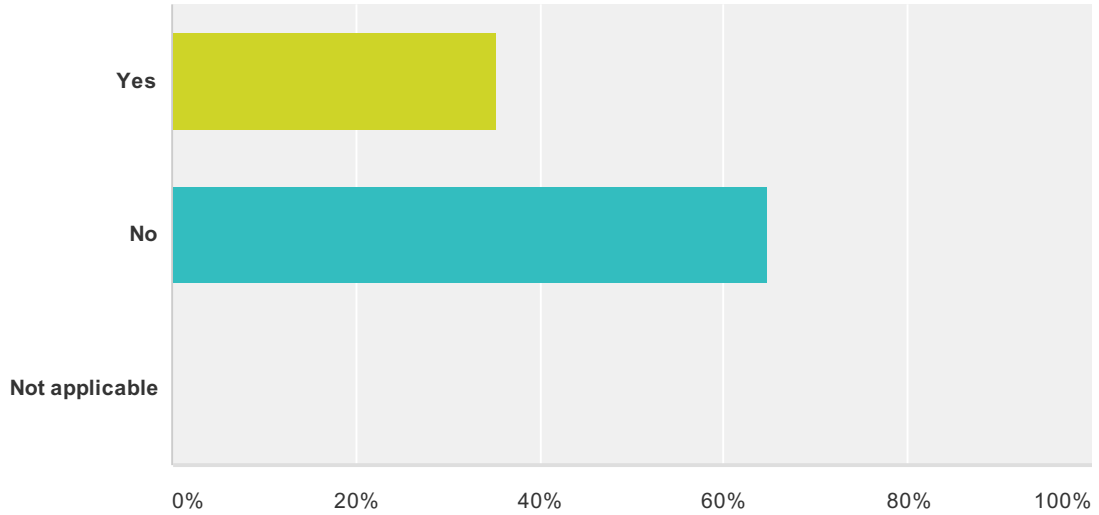
Answer Choices	Responses	
Yes	**35.29%**	6
No	**64.71%**	11
Not applicable	**0%**	0
Total		**17**

Q7 Are you aware of any data (or studies) relating to misleading and/or false hotel reviews and/or problems arising from these? If YES, please provide details below:

Answered: 17   Skipped: 0
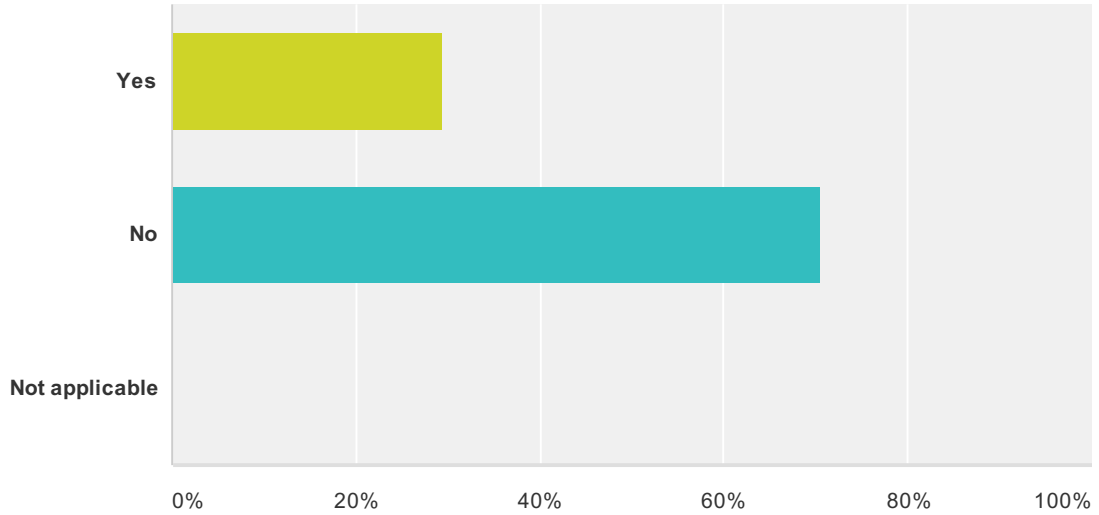
Answer Choices	Responses	
Yes	**29.41%**	5
No	**70.59%**	12
Not applicable	**0%**	0
Total		**17**

Q8 Has your organisation taken any specific actions against businesses to address the problem of fake hotel reviews? If YES, could you please provide more details about the action your organisation took; for example, who was the action aimed at, timeframe, nature of penalty involved (e.g. warnings, injunctions, administrative decisions, fines, etc.)?

Answered: 17   Skipped: 0
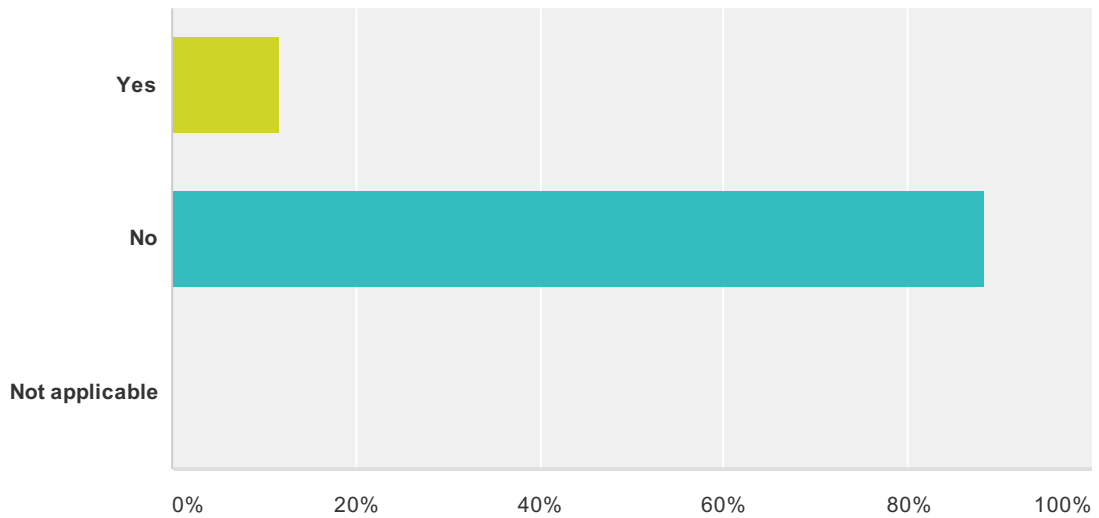
Answer Choices	Responses	
Yes	**11.76%**	2
No	**88.24%**	15
Not applicable	**0%**	0
Total		**17**

Q9 Did your action concern (or are you aware of) breaches of EU legislation relating to misleading and/or false hotel reviews? If YES, which of the following legislation was breached?

Answered: 16   Skipped: 1
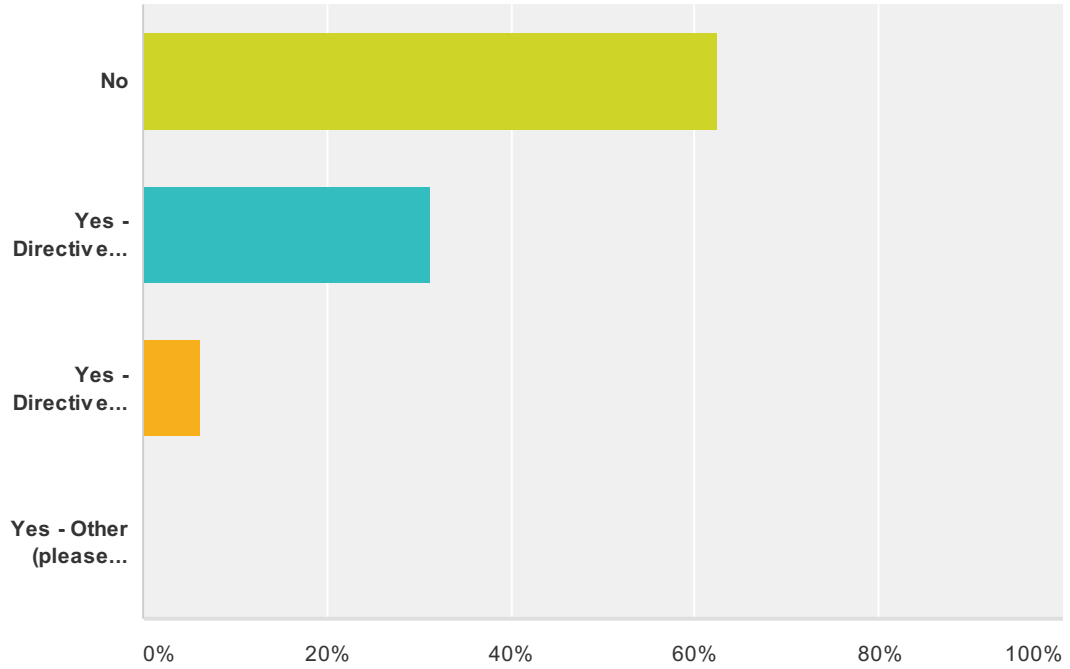
Answer Choices	Responses	
No	**62.50%**	10
Yes - Directive 2005/29/EC on Unfair Commercial Practices	**31.25%**	5
Yes - Directive 2006/114/EC on Misleading and Comparative Advertising	**6.25%**	1
Yes - Other (please specify)	**0%**	0
Total		**16**

Q10 E-reputation companies aim to assist companies with managing their online reputation in a number of ways. This may involve action to promote and increase the visibility of positive reviews, or, to move negative comments and reviews down search engines. Are you aware of E-reputation companies assisting hotel businesses with online reviews?

Answered: 17   Skipped: 0
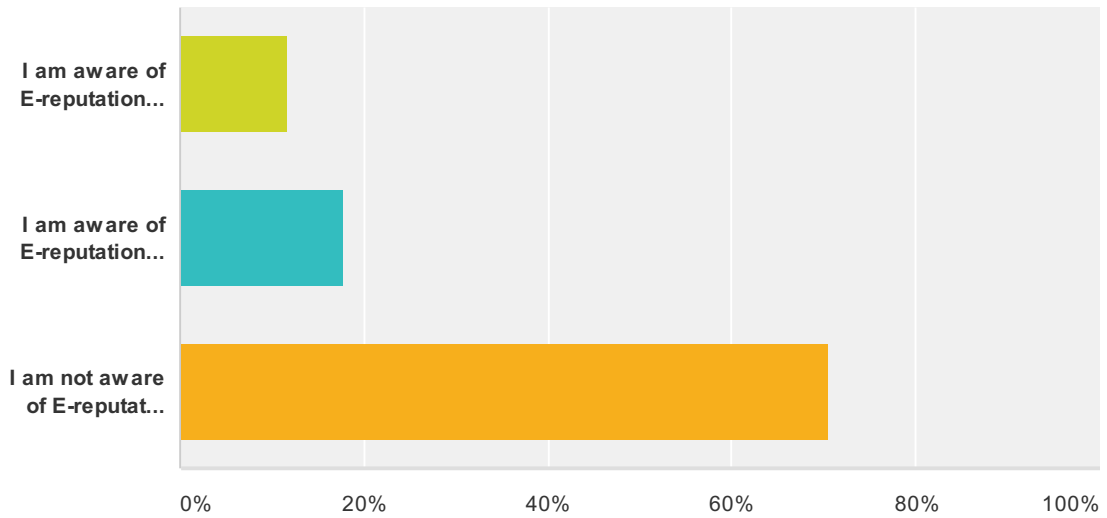
Answer Choices	Responses	
I am aware of E-reputation companies assisting businesses with hotel reviews	**11.76%**	2
I am aware of E-reputation companies, but not in the hotels sector specifically	**17.65%**	3
I am not aware of E-reputation companies	**70.59%**	12
Total		**17**

Q11 Has your organisation taken any specific actions in general to protect consumers from being misled by misleading and/or false hotel reviews (e.g. awareness campaigns, publishing guidance to businesses on how reviews are to be managed, etc.)?

Answered: 17   Skipped: 0
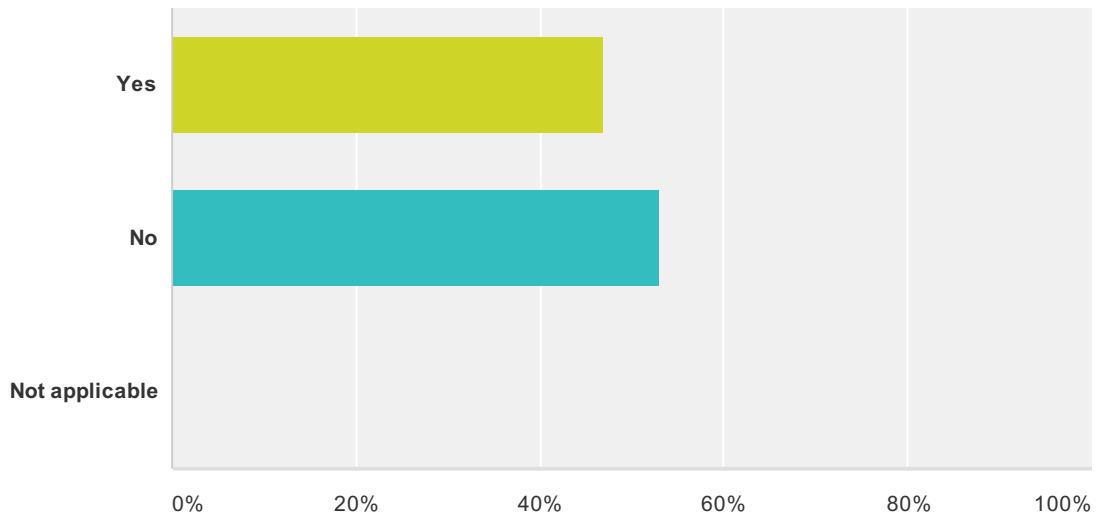
Answer Choices	Responses	
Yes	**47.06%**	8
No	**52.94%**	9
Not applicable	**0%**	0
Total		17

Q12 In your view, how effective have these specific actions been in combating fake hotel reviews posted online? Please answer below.

Answered: 12   Skipped: 5
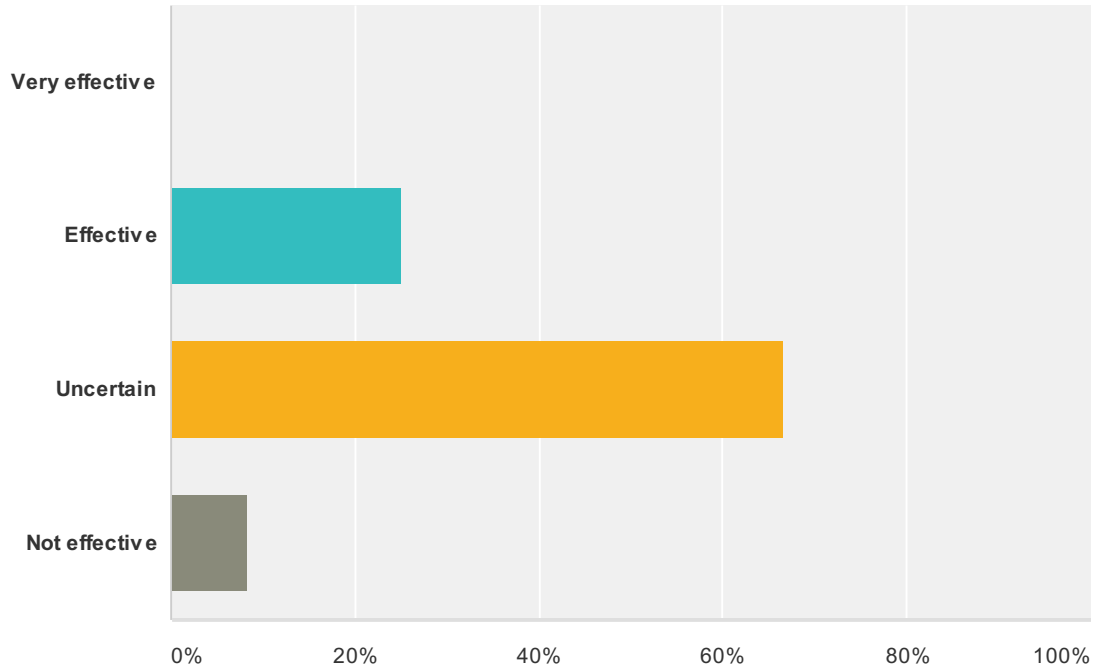
Answer Choices	Responses	
Very effective	**0%**	0
Effective	**25%**	3
Uncertain	**66.67%**	8
Not effective	**8.33%**	1
Total		**12**

Q13 In your view, what measures must website operators take to ensure that hotel reviews are trustworthy and not abused?

Answered: 17   Skipped: 0
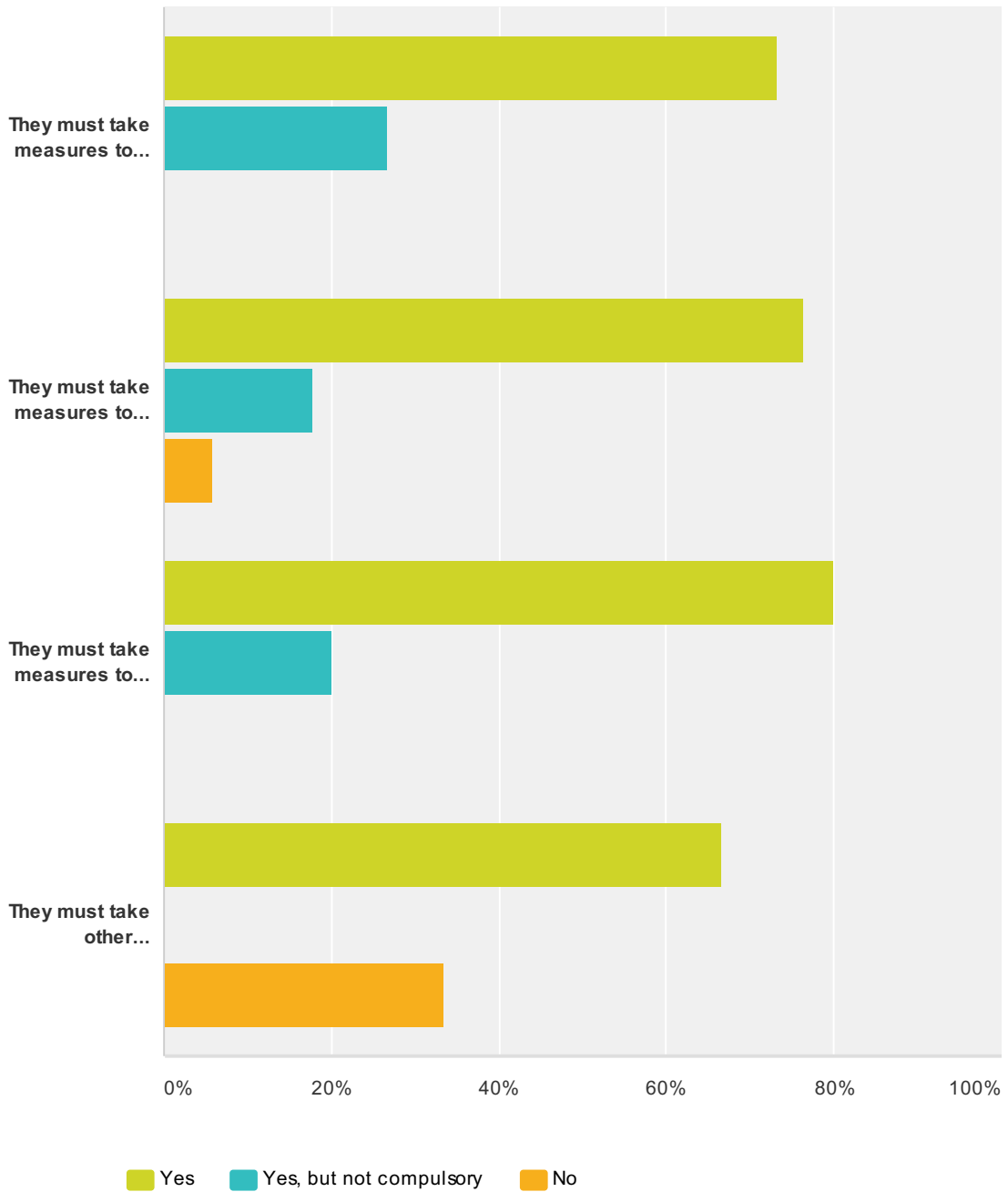
	Yes	Yes, but not compulsory	No	Total
They must take measures to verify the identity of reviewers	73.33% 11	26.67% 4	0% 0	15
They must take measures to verify that reviewers actually stayed in the hotels they are reviewing	76.47% 13	17.65% 3	5.88% 1	17
They must take measures to verify the information provided by consumers in reviews	80%	20%	0%	

They must take measures to verify the information provided by consumers in reviews	80% 12	20% 3	0% 0	15
They must take other additional measures (please specify)	**66.67%** 6	**0%** 0	**33.33%** 3	9

Q14 In your view, what are the best approaches (i.e. best practice) for hotel review websites to adopt in terms of:

Answered: 15   Skipped: 2

Answer Choices	Responses	
Verifying the identity of reviewers	**80%**	12
Verifying that reviewers actually stayed in the hotels	**80%**	12
Verifying the information provided by consumers in reviews	**66.67%**	10

Q15 In your view, what specific additional action is needed to address problems arising from false or fakemisleading and/or false hotel reviews? Please indicate a maximum of three actions.

Answered: 17   Skipped: 0
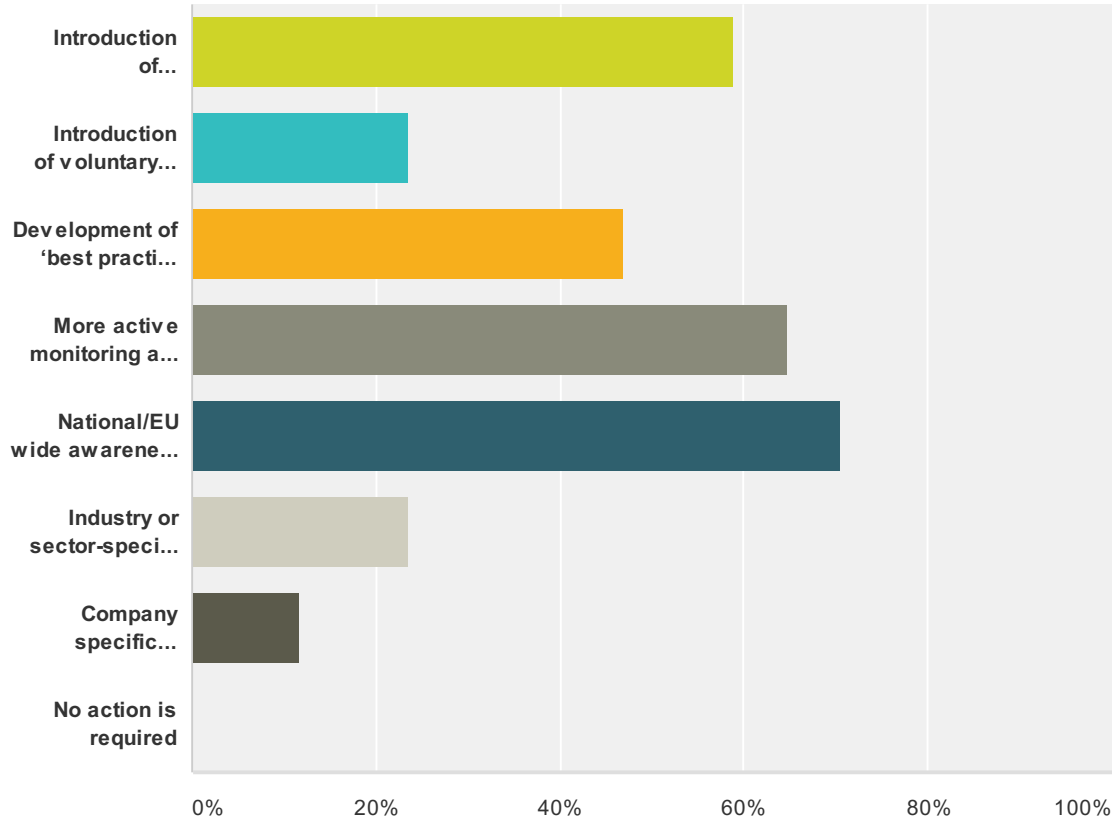
Answer Choices	Responses	
Introduction of accreditation schemes for websites	**58.82%**	10
Introduction of voluntary standards for websites	**23.53%**	4
Development of 'best practice' guidance document for review website operators	**47.06%**	8
More active monitoring and enforcement online by authorities	**64.71%**	11
National/EU wide awareness campaigns for consumers on fake reviews	**70.59%**	12
Industry or sector-specific initiatives (e.g. led by industry associations)	**23.53%**	4
Company specific initiatives	**11.76%**	2
No action is required	**0%**	0
Total Respondents: 17		

Q16 Are you aware of any measures taken (or in the pipeline) to tackle the problem of misleading and/or false reviews in other countries (including in non-European countries)?

Answered: 17   Skipped: 0
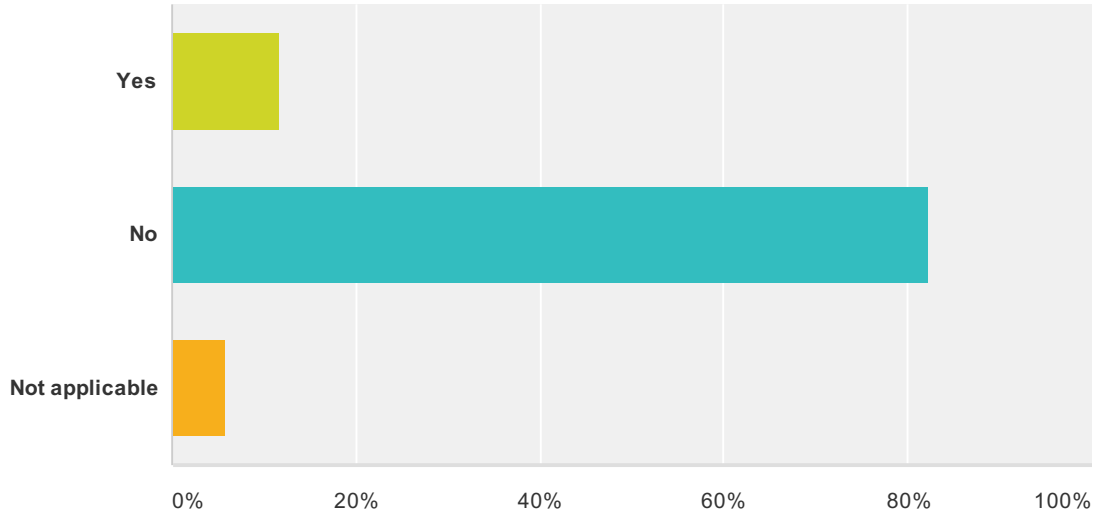
Answer Choices	Responses	
Yes	**11.76%**	2
No	**82.35%**	14
Not applicable	**5.88%**	1
Total		**17**

Q17 Would you be interested in participating in a workshop to explore in more detail (alongside other policy makers and stakeholders) how to address the problems arising from fake reviews in the hotel sector.

Answered: 17   Skipped: 0
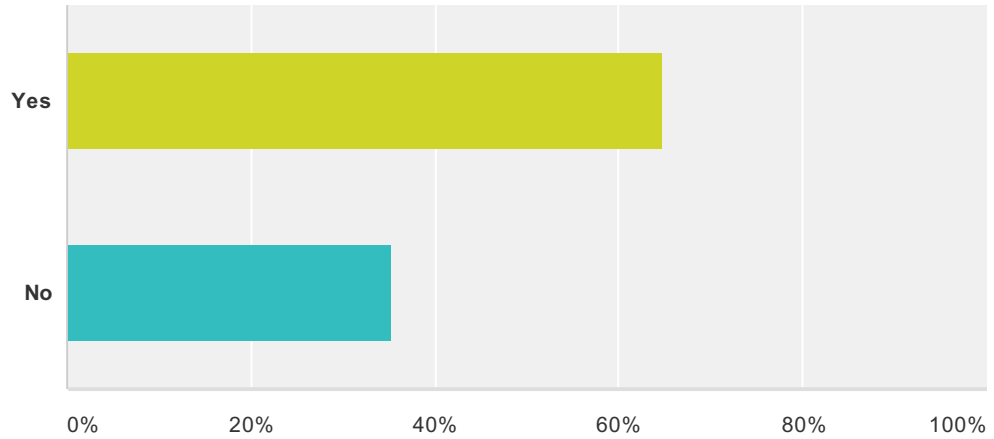
Answer Choices	Responses	
Yes	**64.71%**	11
No	**35.29%**	6
Total		17

Q1 Please provide the following details:

Answered: 7   Skipped: 0

Answer Choices	Responses	
Contact Name:	**100%**	7
Organisation:	**100%**	7
Address 1:	**0%**	0
Address 2:	**0%**	0
City/Town:	**100%**	7
State/Province:	**0%**	0
ZIP/Postal Code:	**0%**	0
Location (Country):	**100%**	7
Email Address:	**100%**	7
Phone Number:	**100%**	7

Q2 Please indicate which of the following best describes the nature of the content (or information) which can be found on your organisation's website:

Answered: 7   Skipped: 0
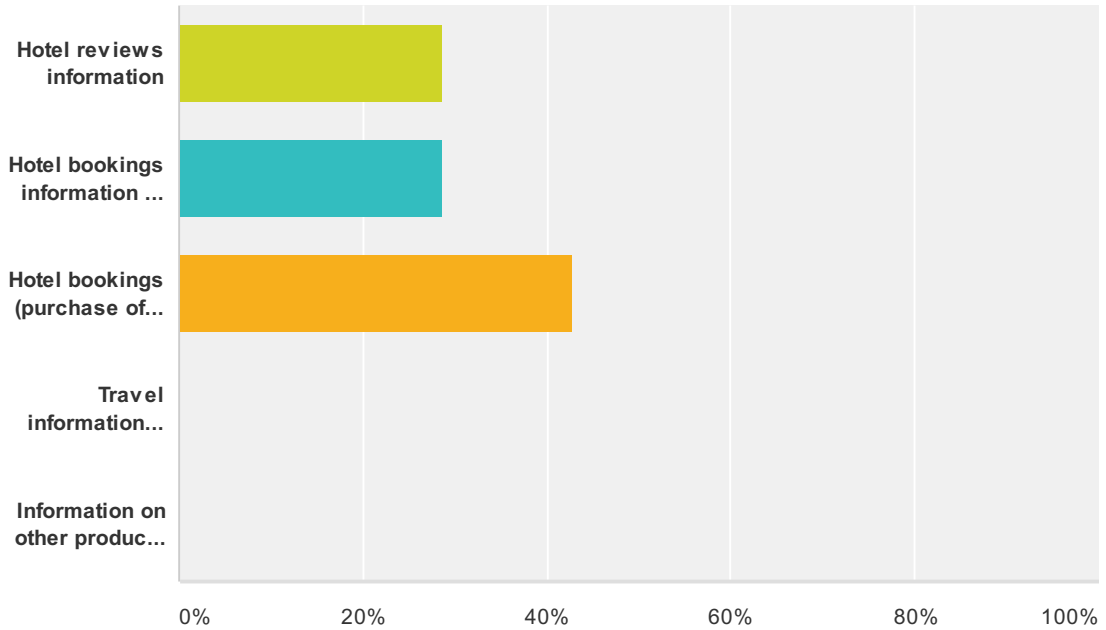
Answer Choices	Responses	
Hotel reviews information	**28.57%**	2
Hotel bookings information (no purchase possible; click-through for purchase possible)	**28.57%**	2
Hotel bookings (purchase of hotel rooms)	**42.86%**	3
Travel information (e.g. hotels, flights, train schedules, vehicle hire, etc.)	**0%**	0
Information on other products and services (e.g. electronics, news, cars, fashion, etc.)	**0%**	0
Total		**7**

Q3 Please indicate which of the following best describes the types of activities that can be undertaken on your organisation's website:

Answered: 7   Skipped: 0
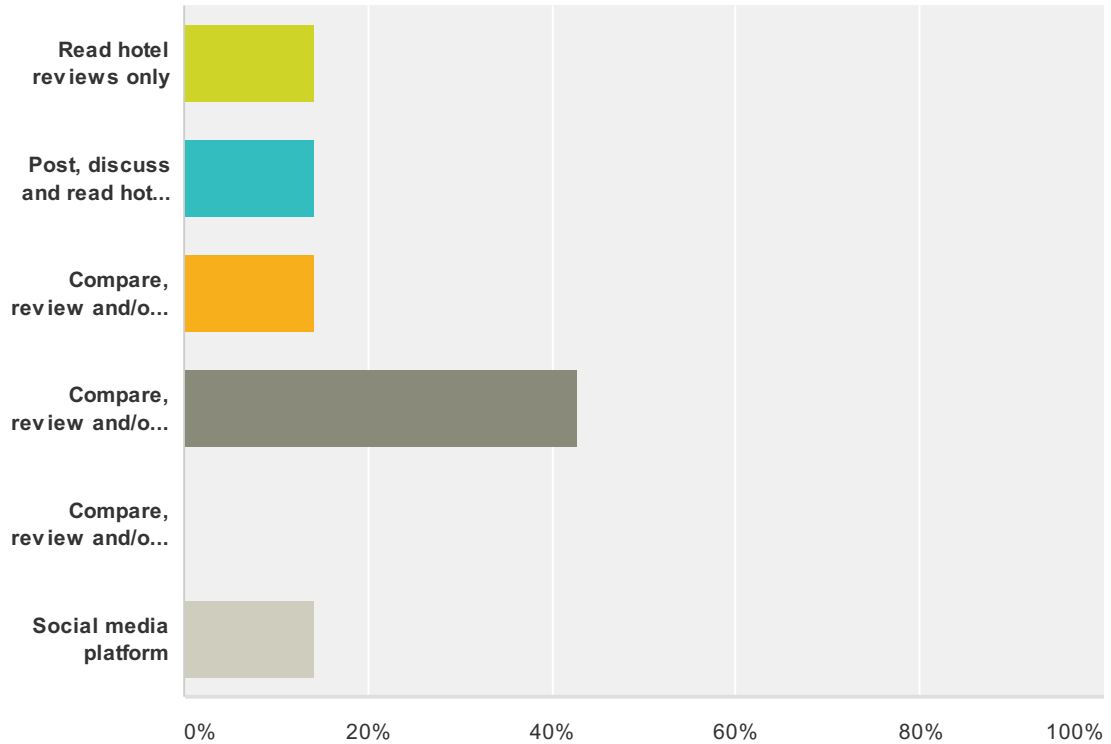
Answer Choices	Responses	
Read hotel reviews only	**14.29%**	1
Post, discuss and read hotel reviews	**14.29%**	1
Compare, review and/or purchase hotel bookings	**14.29%**	1
Compare, review and/or purchase travel-related services and products	**42.86%**	3
Compare, review and/or purchase non-travel related services and products	**0%**	0
Social media platform	**14.29%**	1
Total		**7**

Hotel Reviews: Website Operators

Q4 Please indicate in which of the following regions your organisation operates. If you indicated "EU-28", please indicate the specific countries below:
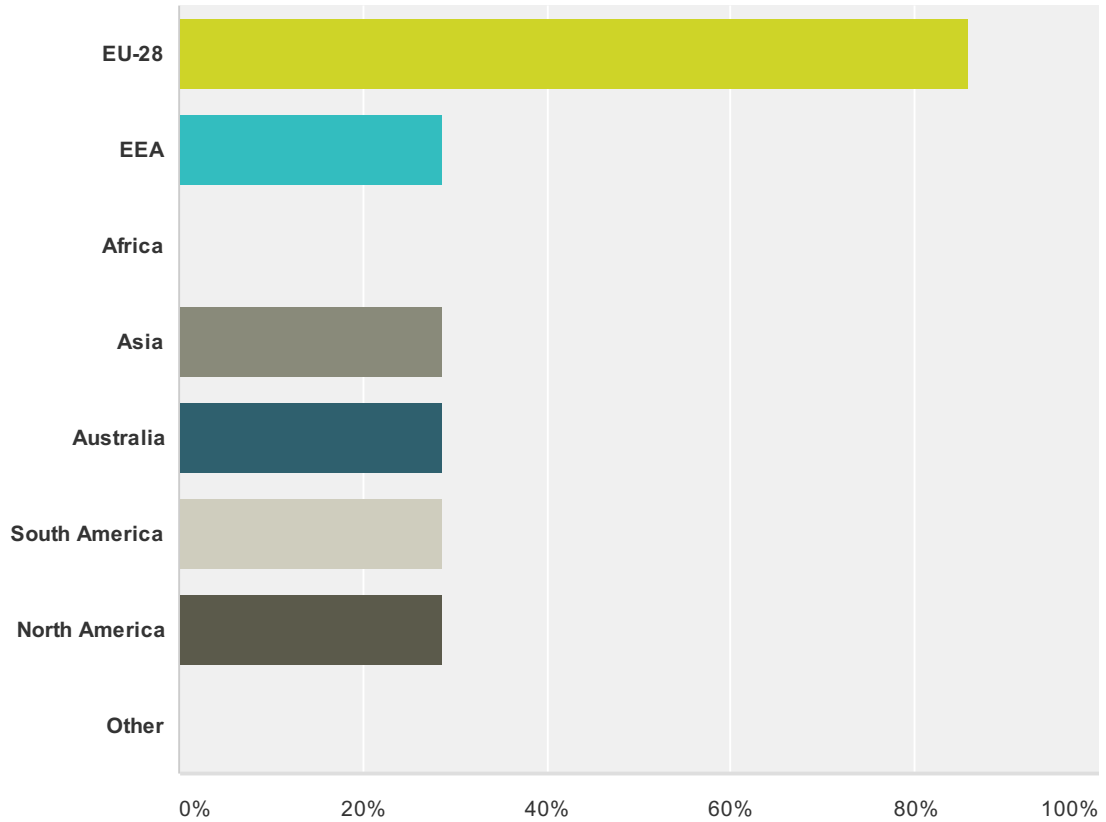
Answer Choices	Responses	
EU-28	**85.71%**	6
EEA	**28.57%**	2
Africa	**0%**	0
Asia	**28.57%**	2
Australia	**28.57%**	2
South America	**28.57%**	2
North America	**28.57%**	2
Other	**0%**	0
Total Respondents: 7		

Hotel Reviews: Website Operators

Q5 If you answered "EU-28" to Question 4, please indicate which of the following countries your organisation operates in.

Answered: 7   Skipped: 0
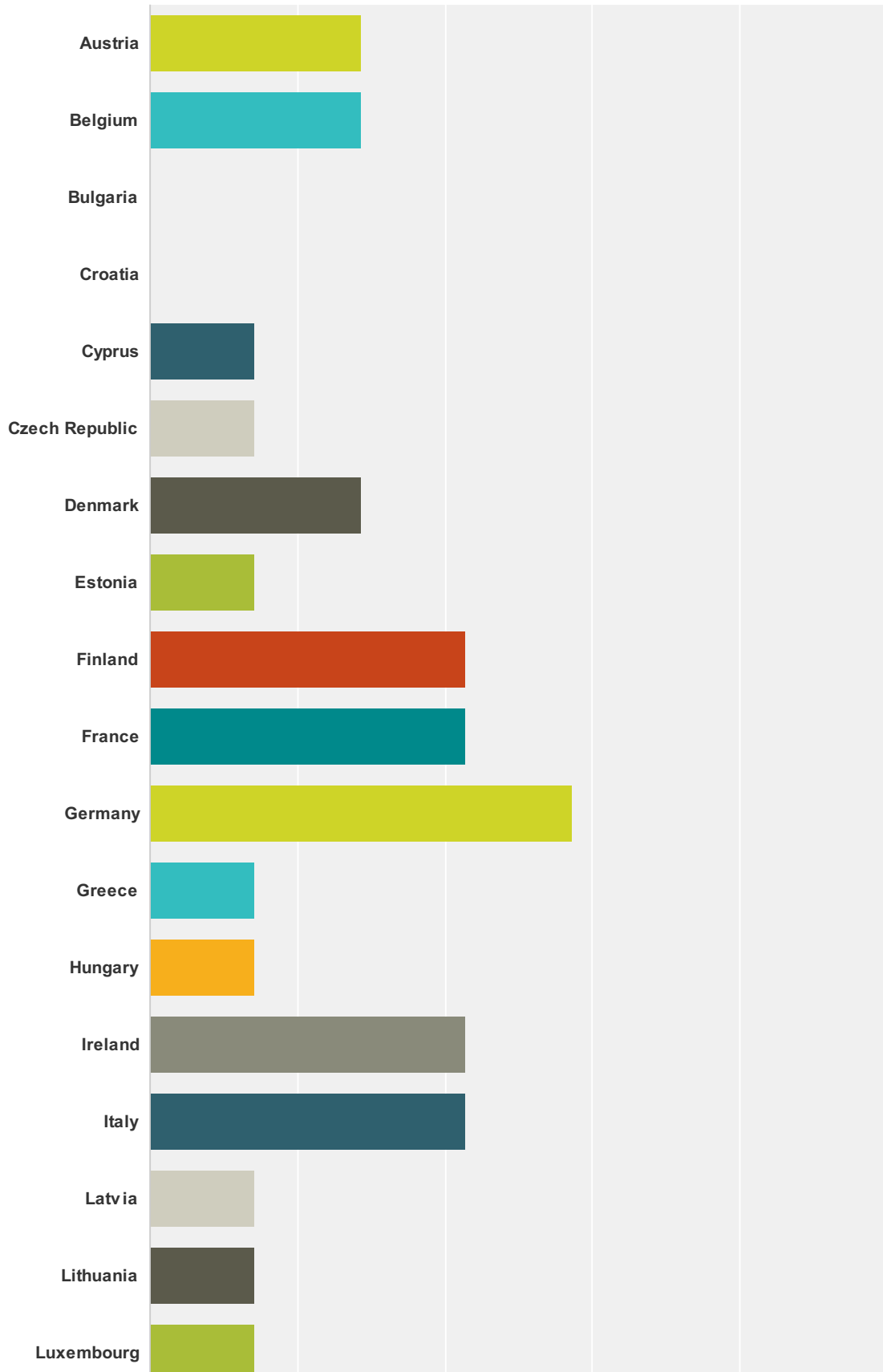
Hotel Reviews: Website Operators
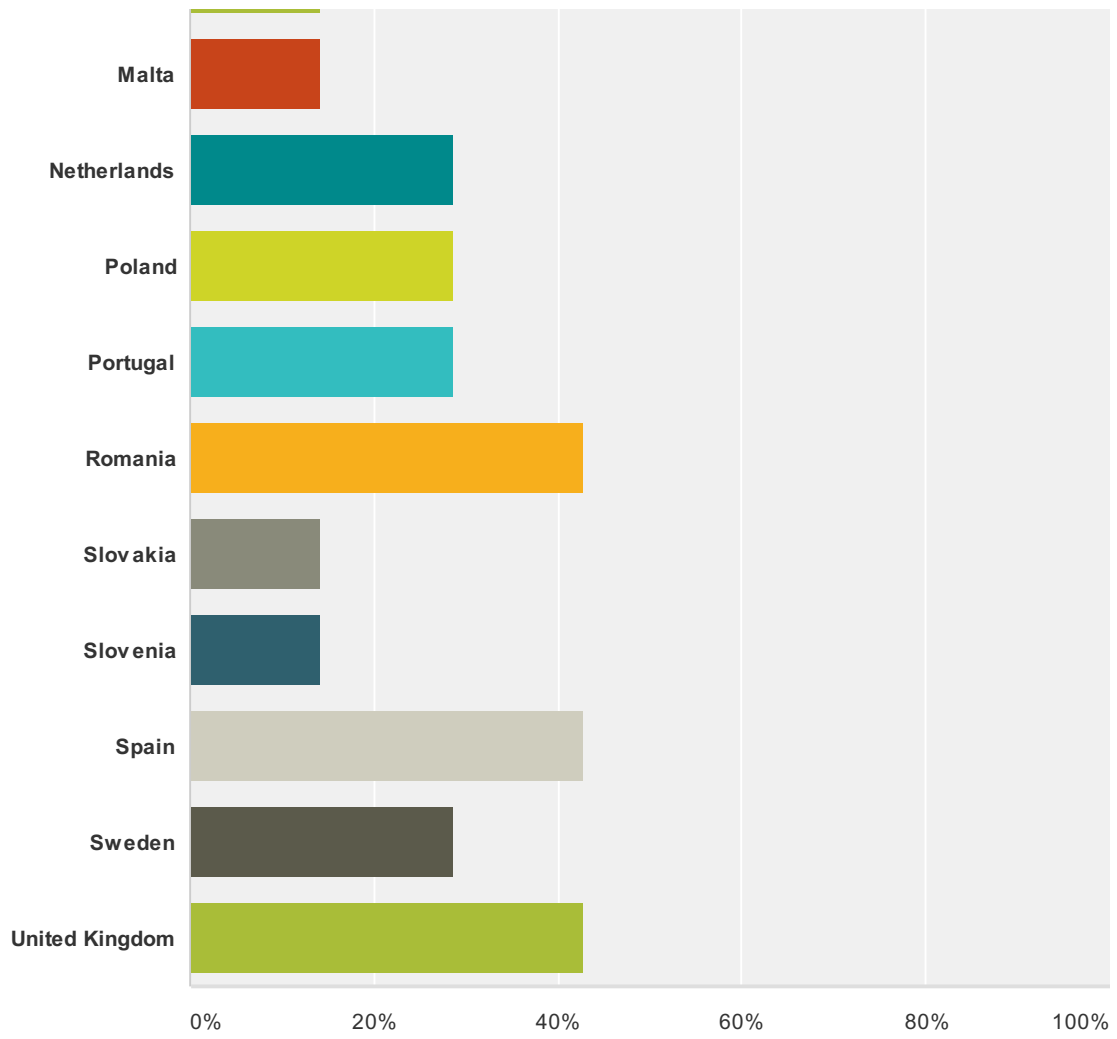
Answer Choices	Responses	
Austria	**28.57%**	2
Belgium	**28.57%**	2
Bulgaria	**0%**	0
Croatia	**0%**	0
Cyprus	**14.29%**	1
Czech Republic	**14.29%**	1
Denmark	**28.57%**	2
Estonia	**14.29%**	1
Finland	**42.86%**	3
France	**42.86%**	3
Germany	**57.14%**	4
Greece	**14.29%**	1
Hungary	**14.29%**	1
Ireland	**42.86%**	3

Hotel Reviews: Website Operators

Italy	**42.86%**	3
Latvia	**14.29%**	1
Lithuania	**14.29%**	1
Luxembourg	**14.29%**	1
Malta	**14.29%**	1
Netherlands	**28.57%**	2
Poland	**28.57%**	2
Portugal	**28.57%**	2
Romania	**42.86%**	3
Slovakia	**14.29%**	1
Slovenia	**14.29%**	1
Spain	**42.86%**	3
Sweden	**28.57%**	2
United Kingdom	**42.86%**	3
Total Respondents: 7		

Hotel Reviews: Website Operators

Q6 In your view, how big is the problem of misleading and/or false hotel reviews (whether by businesses or consumers) in the country (or countries) where you operate?

Answered: 7   Skipped: 0
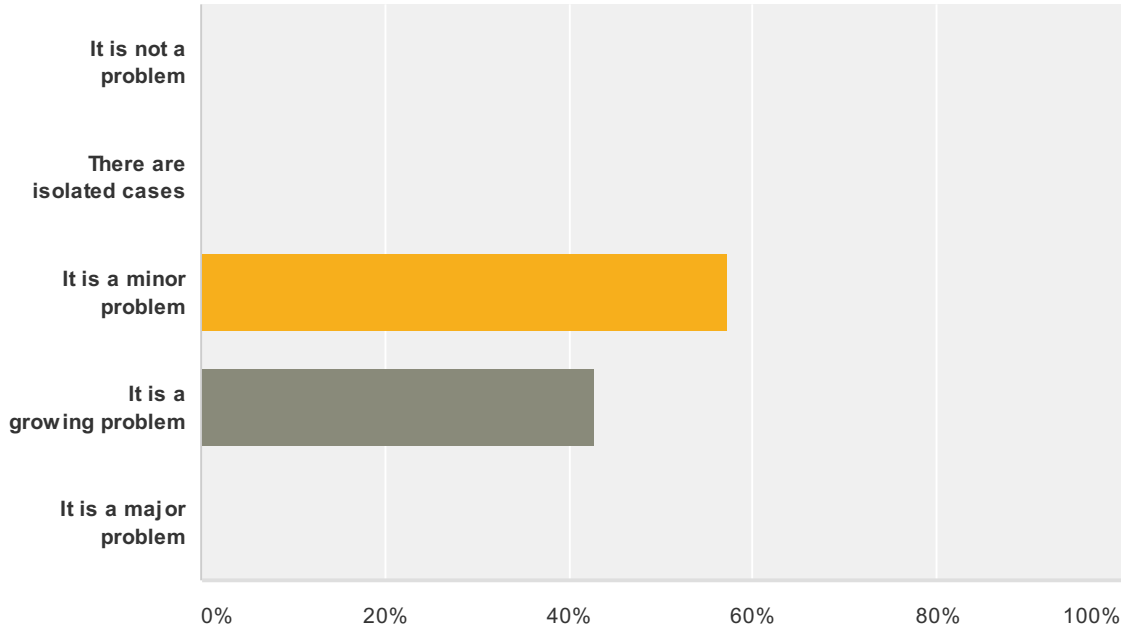
Answer Choices	Responses	
It is not a problem	0%	0
There are isolated cases	0%	0
It is a minor problem	57.14%	4
It is a growing problem	42.86%	3
It is a major problem	0%	0
Total		**7**

Q7 In your view, is the problem of misleading and/or false hotel reviews a bigger problem in some countries compared to others? If YES, please provide details on which countries or regions you consider this to be a growing or major problem.

Answered: 7   Skipped: 0
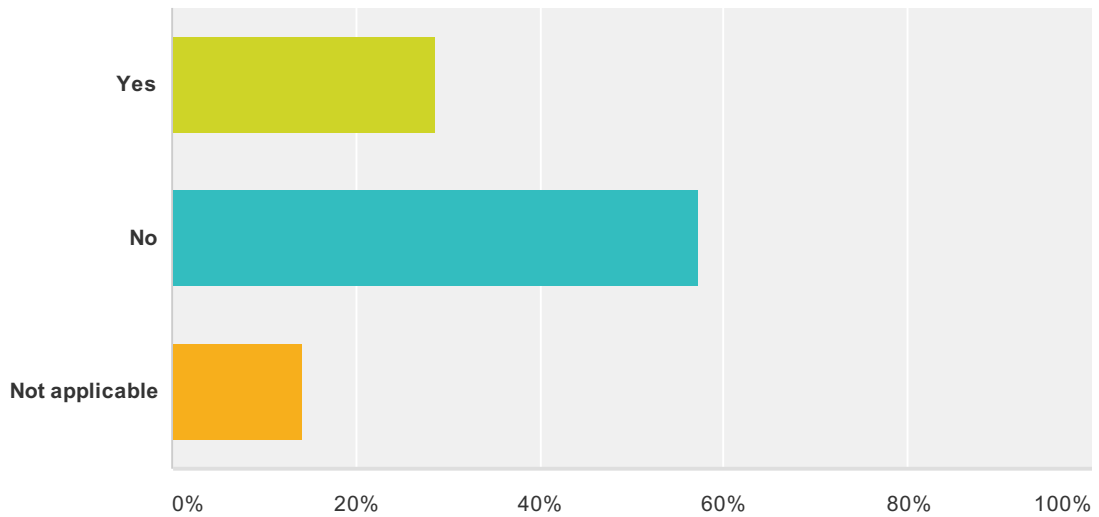
Answer Choices	Responses	
Yes	**28.57%**	2
No	**57.14%**	4
Not applicable	**14.29%**	1
Total		**7**

Q8 Are you aware of cases where businesses have suffered financial loss or other damage as a result of misleading and/or false hotel reviews? If YES, please provide details below.

Answered: 7   Skipped: 0
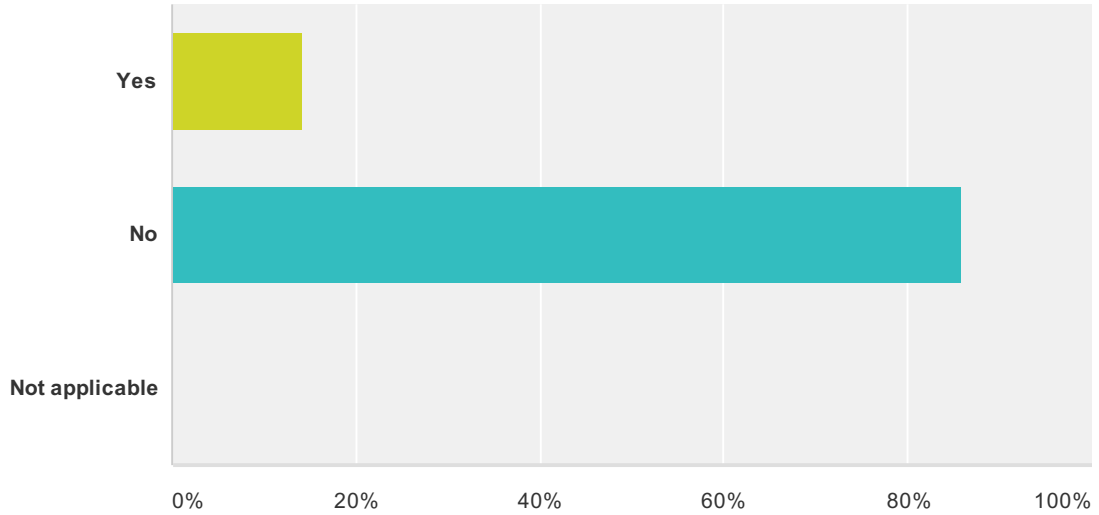
Answer Choices	Responses	
Yes	**14.29%**	1
No	**85.71%**	6
Not applicable	**0%**	0
Total		**7**

Q9 Are you aware of cases where consumers have suffered financial loss or other damage as a result of misleading and/or fake hotel reviews? If YES, please provide details below.

Answered: 7   Skipped: 0
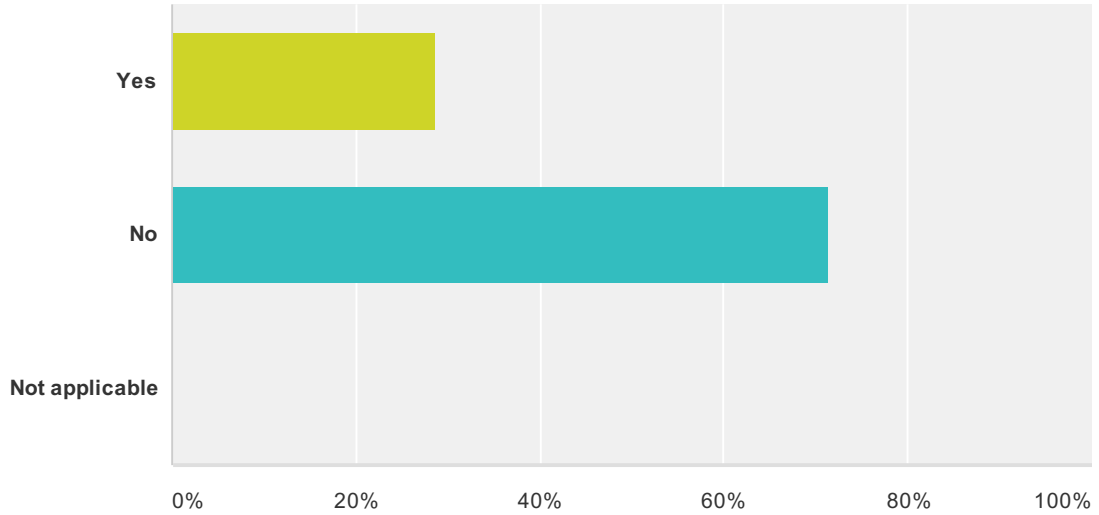
Answer Choices	Responses	
Yes	**28.57%**	2
No	**71.43%**	5
Not applicable	**0%**	0
Total		**7**

Q10 Does your organisation have any means of verifying the identity of consumers providing hotel reviews (i.e. that the reviewers are actual people)? If YES, please provide details:

Answered: 7   Skipped: 0
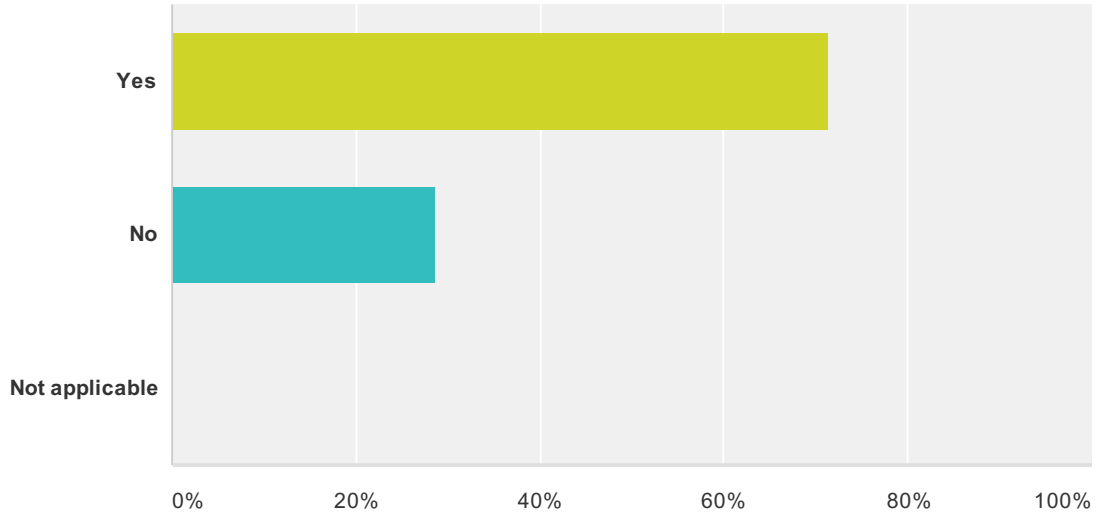
Answer Choices	Responses	
Yes	**71.43%**	5
No	**28.57%**	2
Not applicable	**0%**	0
Total		**7**

Q11 Does your organisation have any means of confirming that consumers providing hotel reviews actually stayed in the hotels they are reviewing? If YES, please provide details:

Answered: 7   Skipped: 0
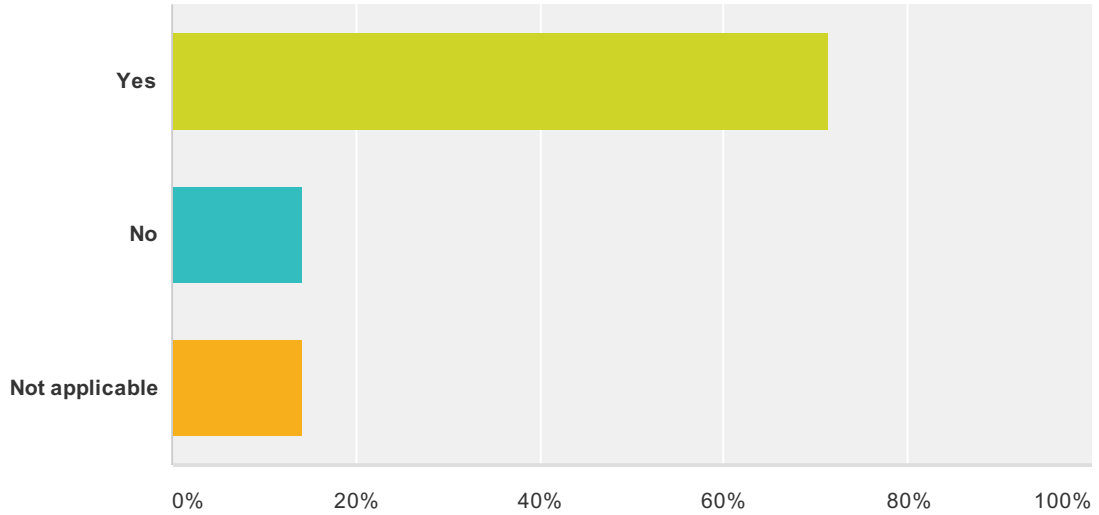
Answer Choices	Responses	
Yes	**71.43%**	5
No	**14.29%**	1
Not applicable	**14.29%**	1
Total		**7**

Hotel Reviews: Website Operators

Q12 Does your organisation have any means of reviewing the accuracy of information provided in the hotel reviews posted by consumers (whether they are positive or negative reviews)? If YES, please provide details:

Answered: 7   Skipped: 0
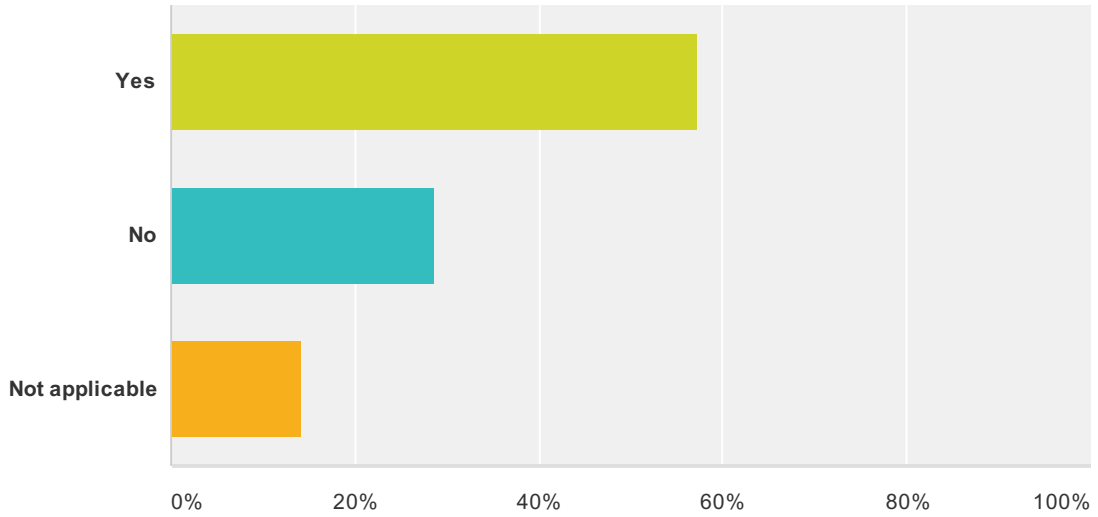
Answer Choices	Responses	
Yes	57.14%	4
No	28.57%	2
Not applicable	14.29%	1
Total		7

Q13 Has your organisation adopted any specific measures aimed at recognising fake hotel reviews? If YES, please provide details:

Answered: 7   Skipped: 0
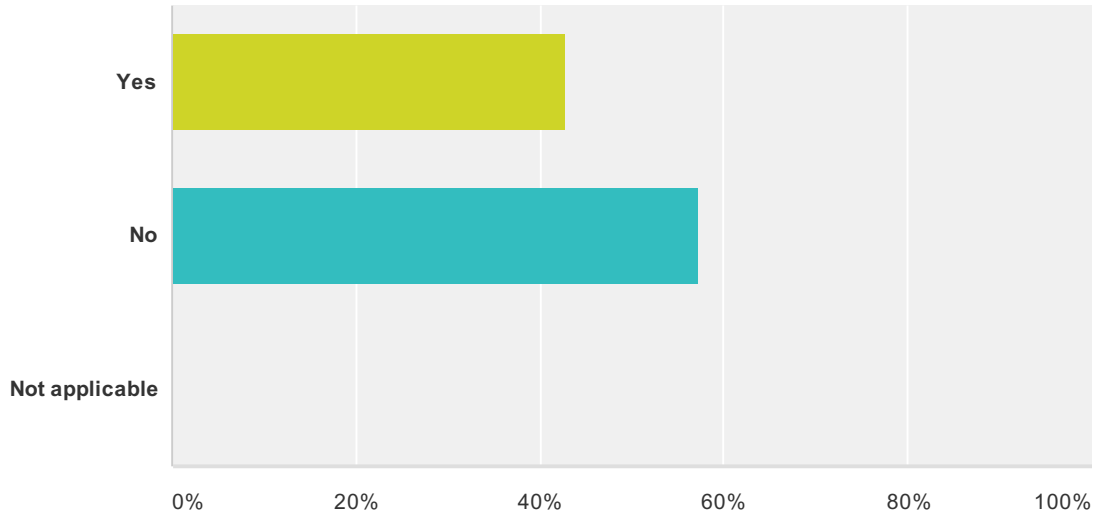
Answer Choices	Responses	
Yes	**42.86%**	3
No	**57.14%**	4
Not applicable	**0%**	0
Total		**7**

Q14 Does your organisation have specific guidance provided to employees regarding how reviews are to be managed and published? If YES, please provide details:

Answered: 7   Skipped: 0
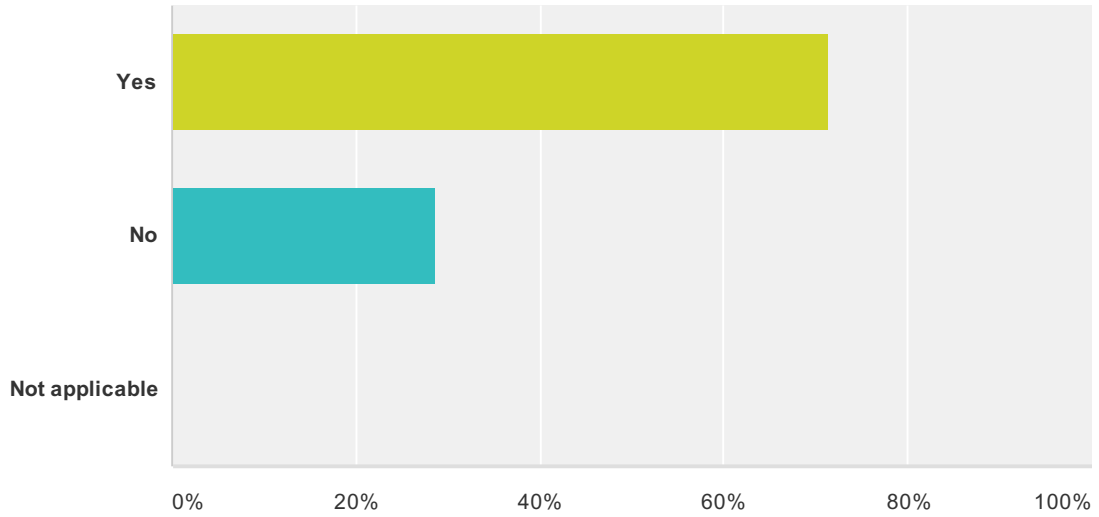
Answer Choices	Responses	
Yes	**71.43%**	5
No	**28.57%**	2
Not applicable	**0%**	0
Total		**7**

Q15 In your view, what are the strengths and weaknesses of the approach taken by your organisation in terms of verifying the identity of consumers and whether they actually stayed in the hotel?

Answered: 5   Skipped: 2

Answer Choices	Responses	
Strengths	**100%**	5
Weaknesses	**80%**	4

Q16 In your view, what are the strengths and weaknesses of the approach taken by your organisation in terms of verifying the accuracy of information provided?

Answered: 5   Skipped: 2

Answer Choices	Responses	
Strengths	**80%**	4
Weaknesses	**80%**	4

Q17 On a scale of 1 – 10, where 10 is the highest score possible, how would you compare your organisation's approach to verifying the identity, actual stay and information provided in hotel reviews to those of other companies in the hotel sector?

Answered: 7   Skipped: 0
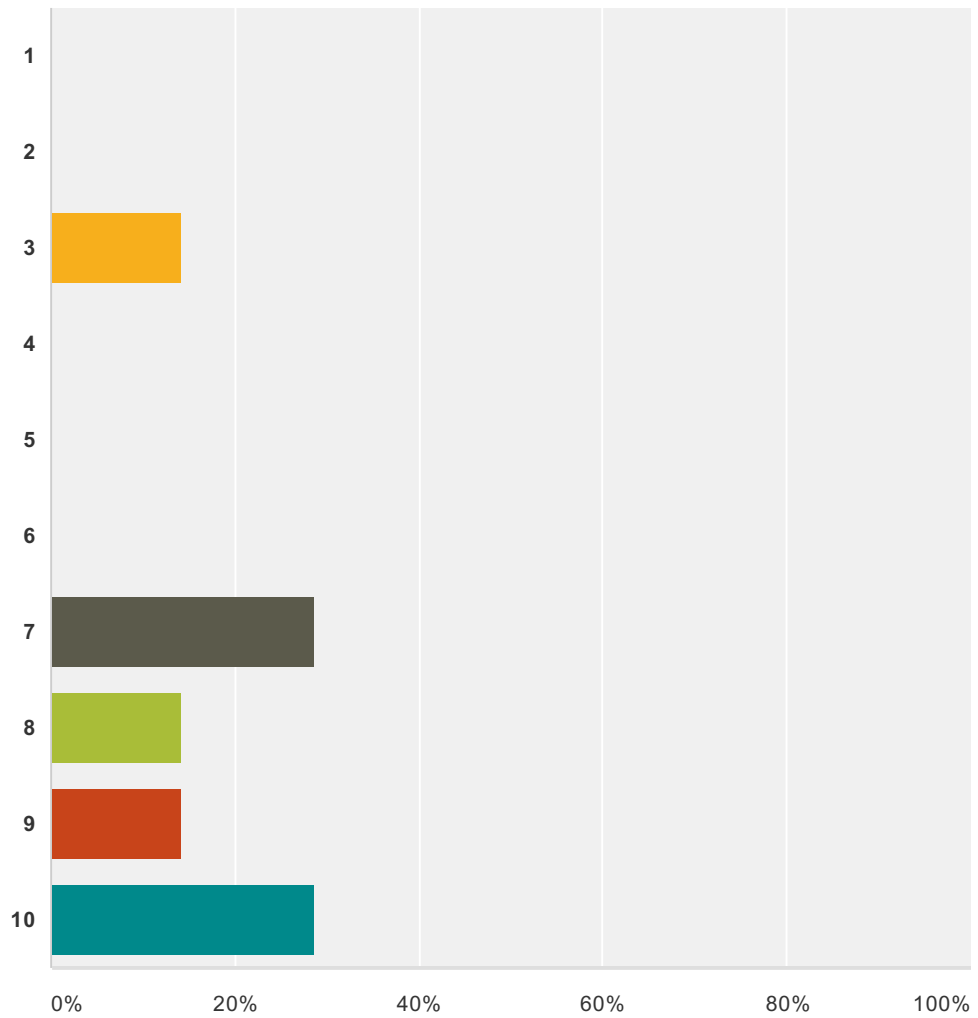
Answer Choices	Responses	
1	0%	0
2	0%	0
3	14.29%	1
4	0%	0
5	0%	0
6	0%	0

Hotel Reviews: Website Operators

7	**28.57%**	2
8	**14.29%**	1
9	**14.29%**	1
10	**28.57%**	2
Total		**7**

	28.57%	2
	14.29%	1

Q18 Do you have plans to improve your approaches to verifying the identity, actual stay and information provided in hotel reviews in future? If YES or POSSIBLY, could you suggest what such improvements could entail?

Answered: 7   Skipped: 0
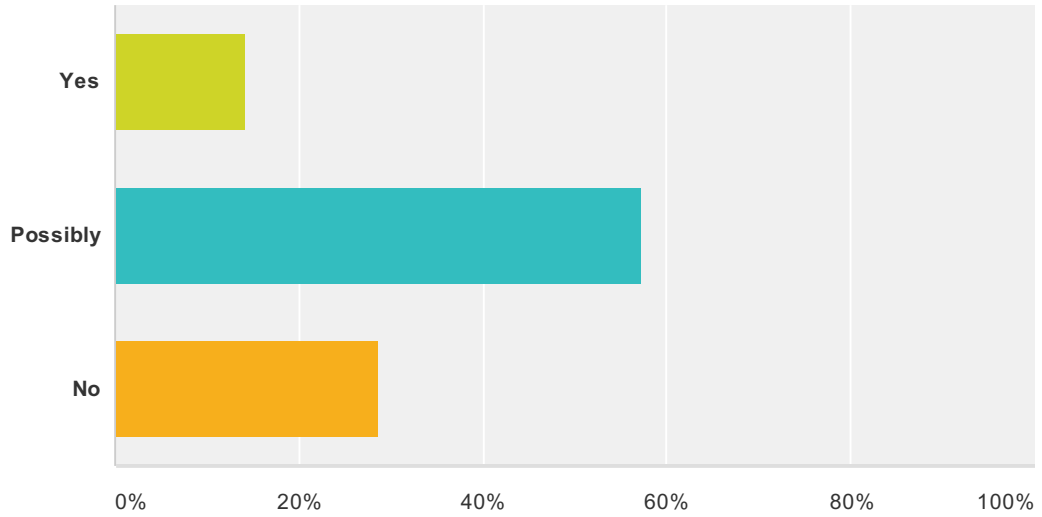
Answer Choices	Responses	
Yes	**14.29%**	1
Possibly	**57.14%**	4
No	**28.57%**	2
Total		**7**

Q19 In your view, what specific additional action is needed to address problems arising from misleading and/or false hotel reviews? Please indicate a maximum of three actions.

Answered: 7   Skipped: 0
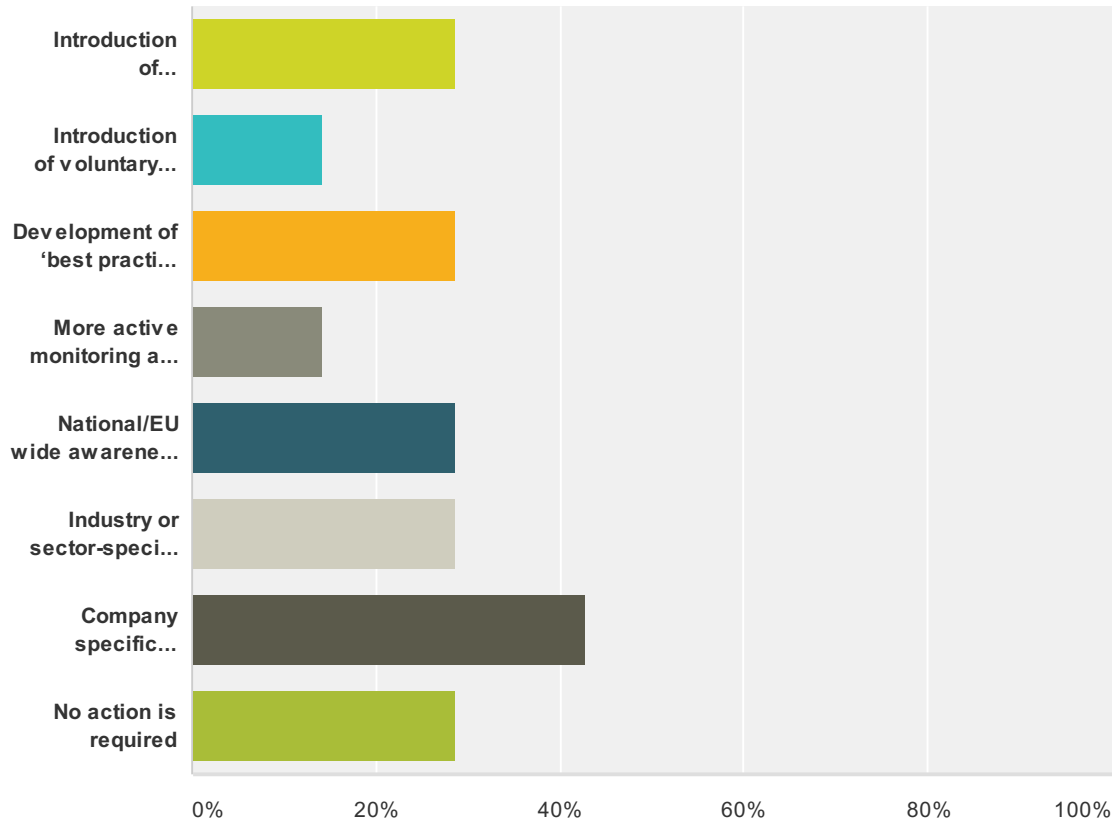
Answer Choices	Responses	
Introduction of accreditation schemes for websites	**28.57%**	2
Introduction of voluntary standards for websites	**14.29%**	1
Development of 'best practice' guidance document for review website operators	**28.57%**	2
More active monitoring and enforcement online by authorities	**14.29%**	1
National/EU wide awareness campaigns for consumers on fake reviews	**28.57%**	2
Industry or sector-specific initiatives (e.g. led by industry associations)	**28.57%**	2
Company specific initiatives	**42.86%**	3
No action is required	**28.57%**	2
Total Respondents: 7		

Hotel Reviews: Website Operators

Q20 Kindly indicate which of the following sources of revenue apply to your organisation.

Answered: 7   Skipped: 0
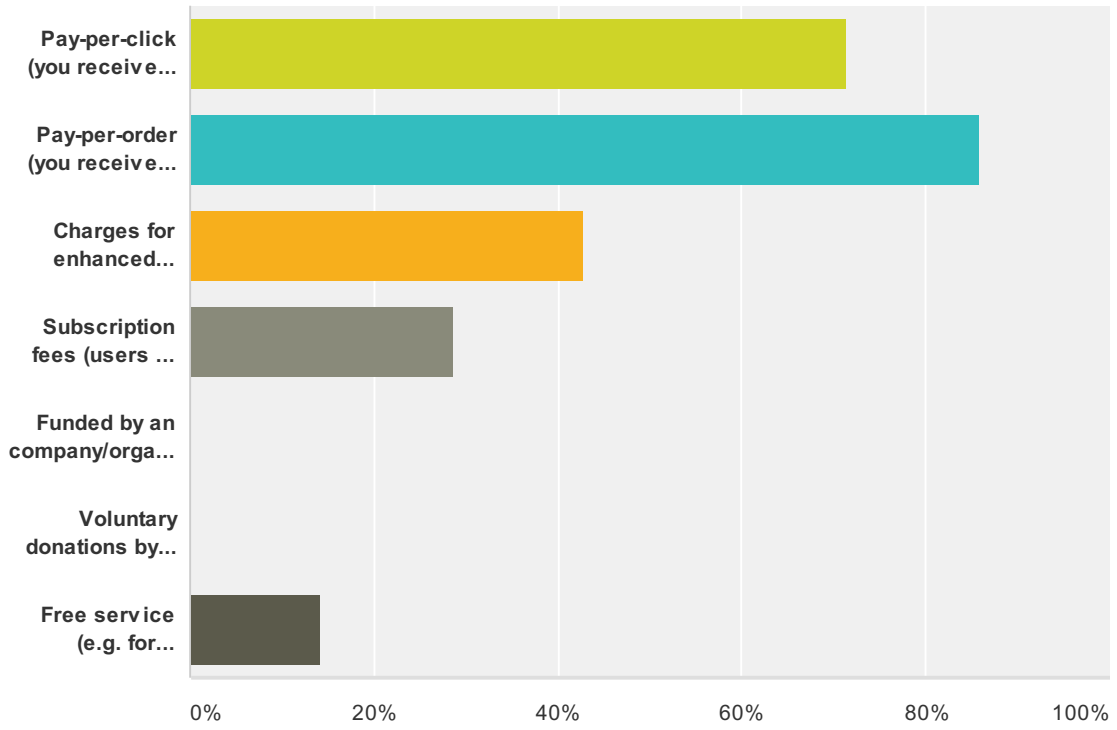
Answer Choices	Responses	
Pay-per-click (you receive a fee every time a consumer clicks on an offer)	**71.43%**	5
Pay-per-order (you receive a fee from the seller for concluded purchases)	**85.71%**	6
Charges for enhanced visibility (i.e. websites pay for more visibility when offers are being compared)	**42.86%**	3
Subscription fees (users pay a fee)	**28.57%**	2
Funded by an company/organisation	**0%**	0
Voluntary donations by users	**0%**	0
Free service (e.g. for social purposes)	**14.29%**	1
Total Respondents: 7		

Q21 Would you be interested in participating in a workshop to explore in more detail (alongside policy makers and other stakeholders) how to address the problems arising from fake reviews in the hotel sector?

Answered: 7   Skipped: 0
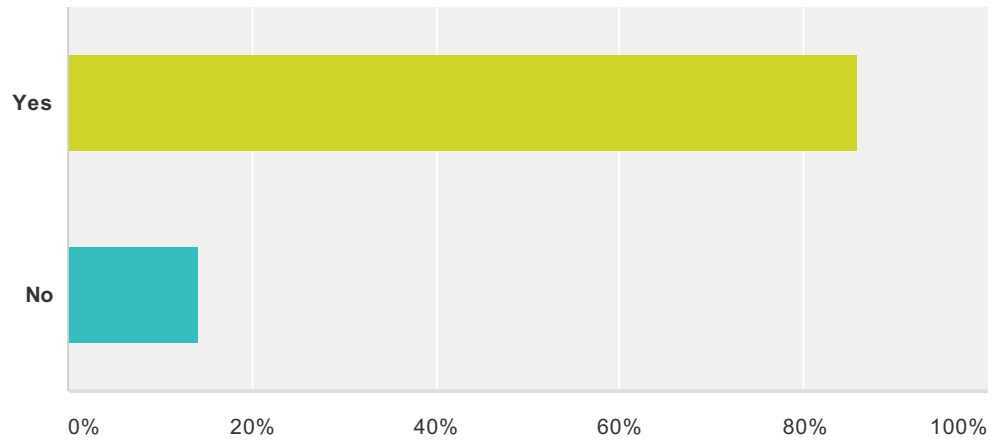
Answer Choices	Responses	
Yes	**85.71%**	6
No	**14.29%**	1
Total		**7**

Hotel Reviews: Associations

Q1 Please provide the following details:

Answered: 5   Skipped: 0

Answer Choices	Responses	
Name:	**80%**	4
Company:	**100%**	5
Address 1:	**0%**	0
Address 2:	**0%**	0
City/Town:	**100%**	5
State/Province:	**0%**	0
ZIP/Postal Code:	**0%**	0
Country:	**100%**	5
Email Address:	**100%**	5
Phone Number:	**80%**	4

Q1 Please provide the following details:

Q2 Please indicate which of the following best describes you or your organisation's remit.

Answered: 4   Skipped: 1
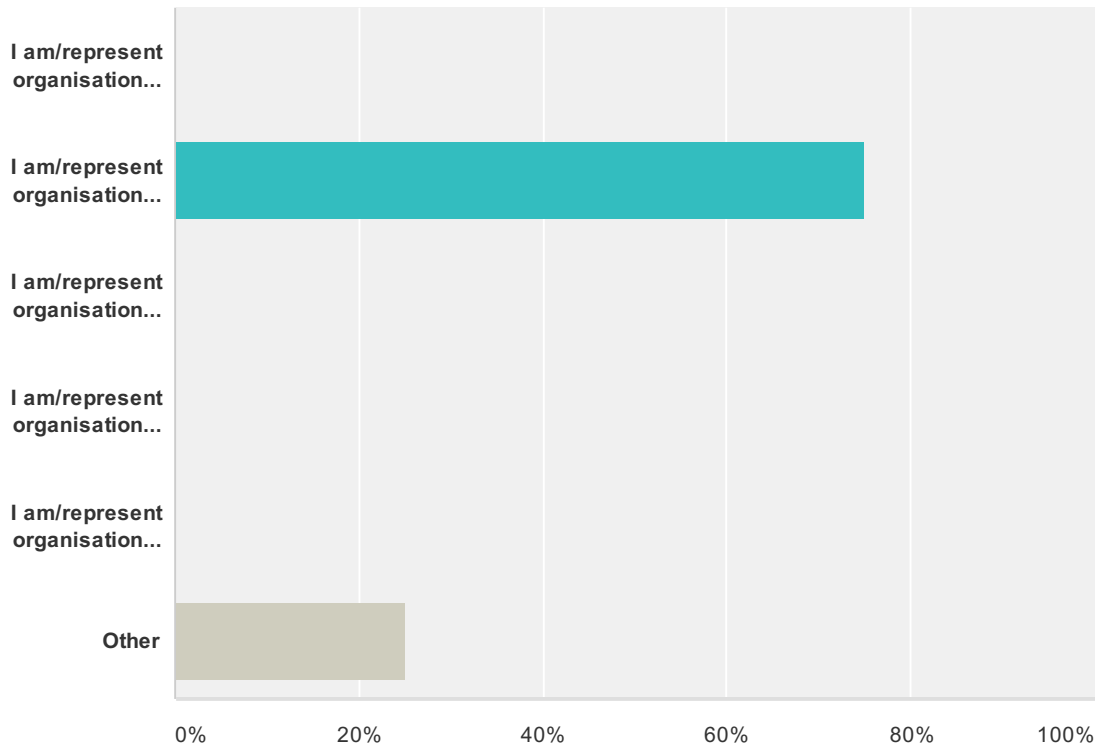
Answer Choices	Responses	
I am/represent organisations involved in online reviews	0%	0
I am/represent organisations involved in hotel room sales	75%	3
I am/represent organisations involved in the travel industry	0%	0
I am/represent organisations involved in non-travel products but using online reviews	0%	0
I am/represent organisations involved in social media and digital products	0%	0
Other	25%	1
Total		4

Hotel Reviews: Associations

Q3 Please indicate which of the following countries your organisation operates in:

Answered: 5   Skipped: 0

Hotel Reviews: Associations
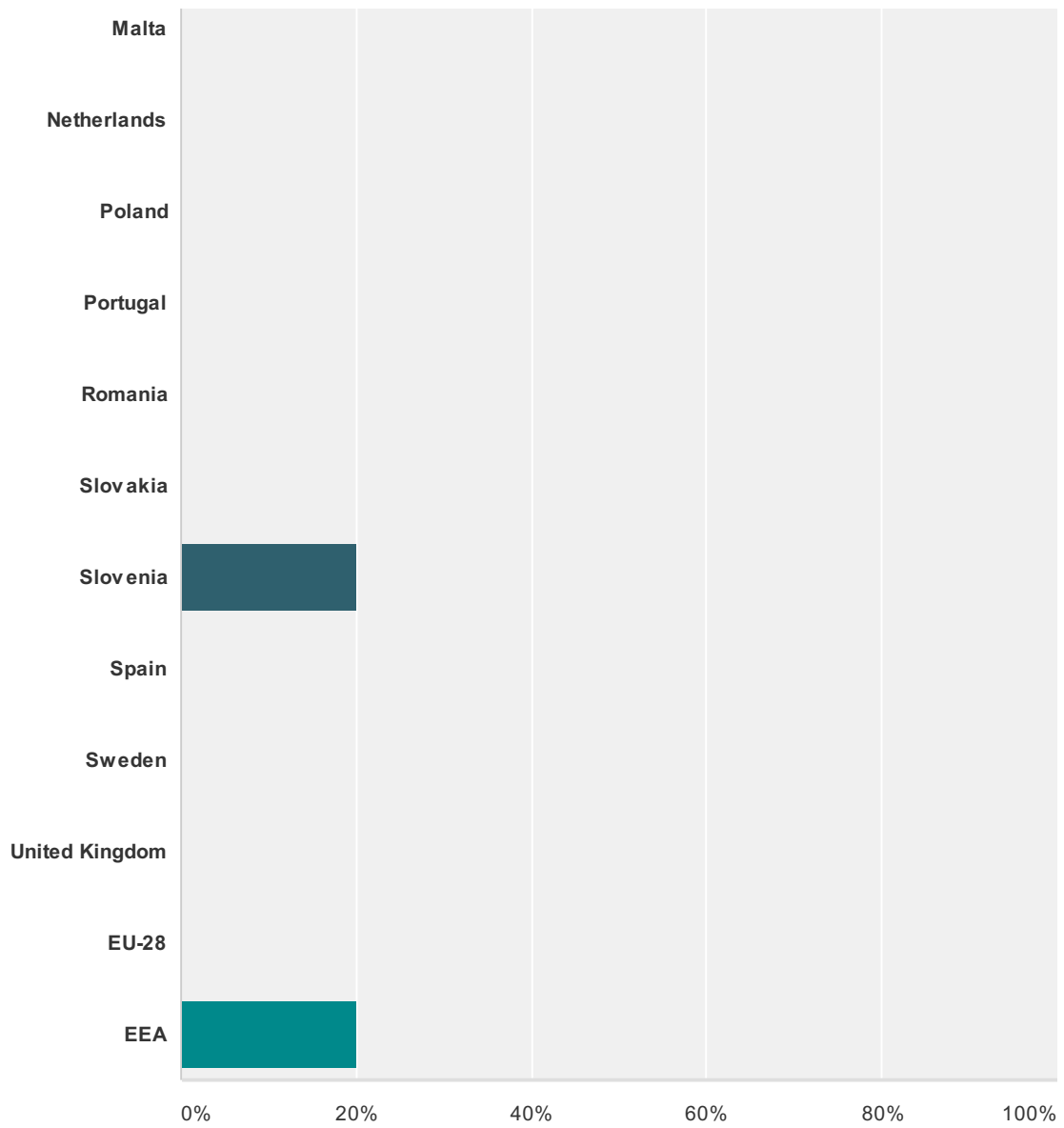
Answer Choices	Responses	
Austria	**0%**	0
Belgium	**20%**	1
Bulgaria	**0%**	0
Croatia	**0%**	0
Cyprus	**0%**	0
Czech Republic	**0%**	0
Denmark	**20%**	1
Estonia	**0%**	0
Finland	**0%**	0
France	**20%**	1
Germany	**0%**	0

Greece	**0%**	0
Hungary	**0%**	0
Ireland	**0%**	0
Italy	**0%**	0
Latvia	**0%**	0
Lithuania	**0%**	0
Luxembourg	**0%**	0
Malta	**0%**	0
Netherlands	**0%**	0
Poland	**0%**	0
Portugal	**0%**	0
Romania	**0%**	0
Slovakia	**0%**	0
Slovenia	**20%**	1
Spain	**0%**	0
Sweden	**0%**	0
United Kingdom	**0%**	0
EU-28	**0%**	0
EEA	**20%**	1
Total Respondents: 5		

Q4 In your view, how big is the problem of false or fake hotel reviews (whether by businesses or consumers) in the country (or countries) where you operate?

Answered: 5   Skipped: 0
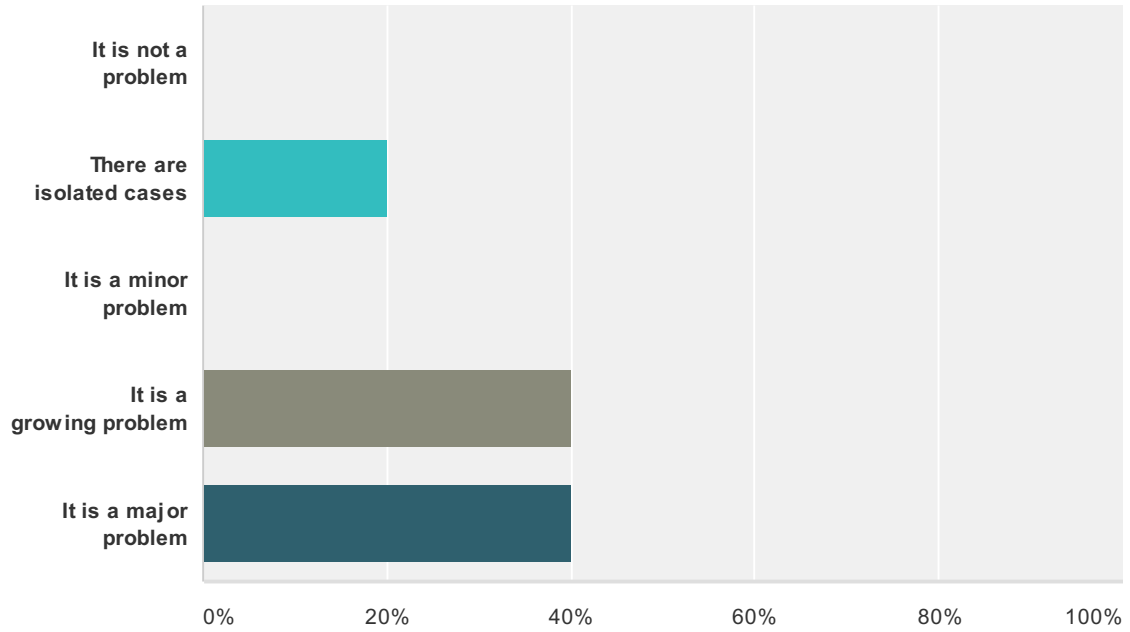
Answer Choices	Responses	
It is not a problem	**0%**	0
There are isolated cases	**20%**	1
It is a minor problem	**0%**	0
It is a growing problem	**40%**	2
It is a major problem	**40%**	2
Total		**5**

Q5 In your view, is the problem of misleading and/or false hotel reviews a bigger problem in some countries compared to others? If YES, please provide details on which countries or regions you consider this to be a growing or major problem.

Answered: 5   Skipped: 0
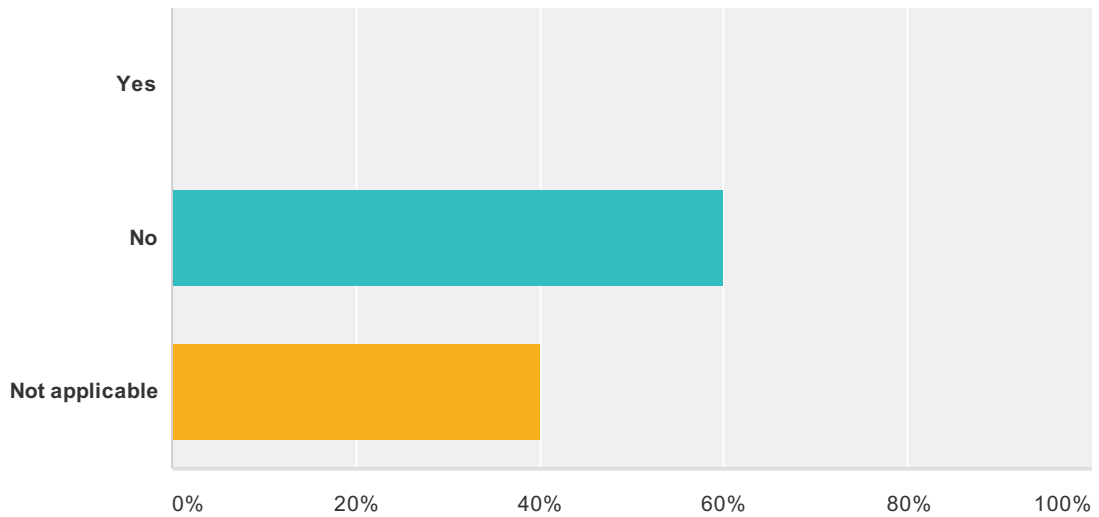
Answer Choices	Responses	
Yes	**0%**	0
No	**60%**	3
Not applicable	**40%**	2
Total		**5**

Q6 Are you aware of cases where businesses have suffered financial loss or other damage as a result of misleading and/or false hotel reviews? If YES, please provide details below.

Answered: 5   Skipped: 0
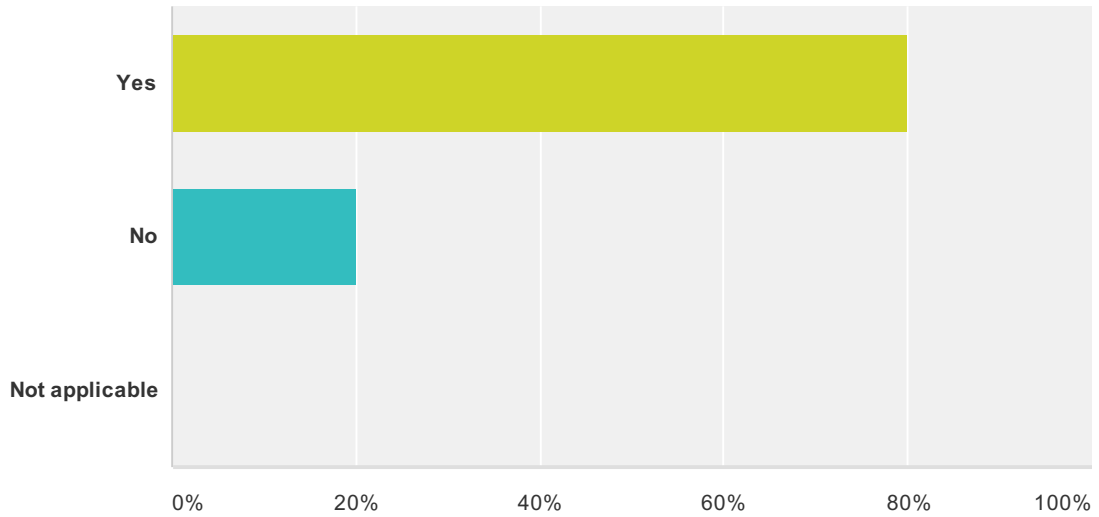
Answer Choices	Responses	
Yes	**80%**	4
No	**20%**	1
Not applicable	**0%**	0
Total		**5**

Q7 Are you aware of cases where consumers have suffered financial loss or other damage as a result of false or fake hotel reviews? If YES, please provide details below.

Answered: 5   Skipped: 0
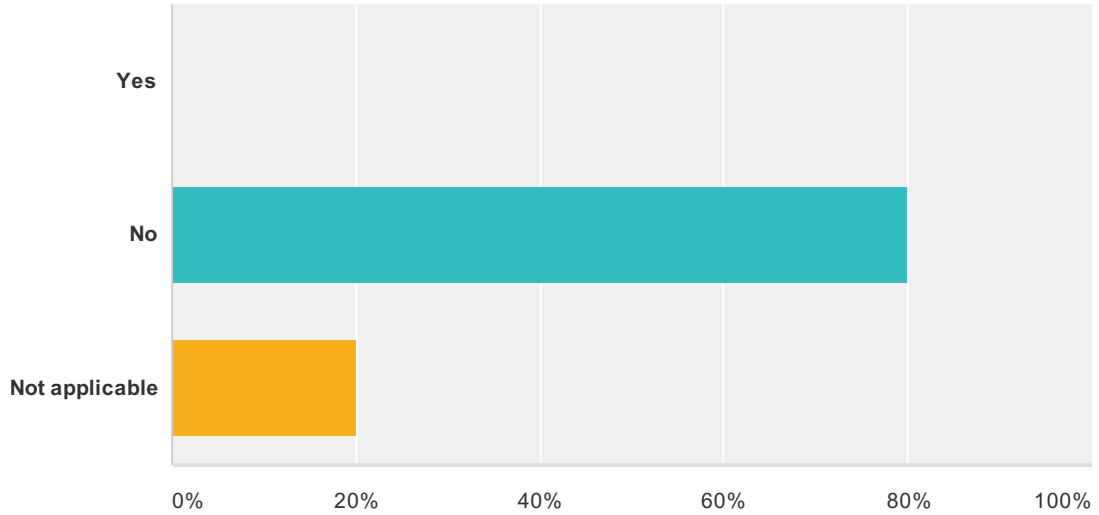
Answer Choices	Responses	
Yes	0%	0
No	80%	4
Not applicable	20%	1
Total		**5**

Q8 Are you aware of any data (or studies) relating to false or fake hotel reviews and/or problems arising from these? If YES, please provide details below?

Answered: 5   Skipped: 0

Answer Choices	Responses	
Yes	**40%**	2
No	**60%**	3
Not applicable	**0%**	0
Total		**5**

Q9 E-reputation companies aim to assist companies with managing their online reputation in a number of ways. This may involve action to promote and increase the visibility of positive reviews or to move negative comments and reviews down search engines. Are you aware of E-reputation companies assisting hotel businesses with online reviews?

Answered: 4   Skipped: 1
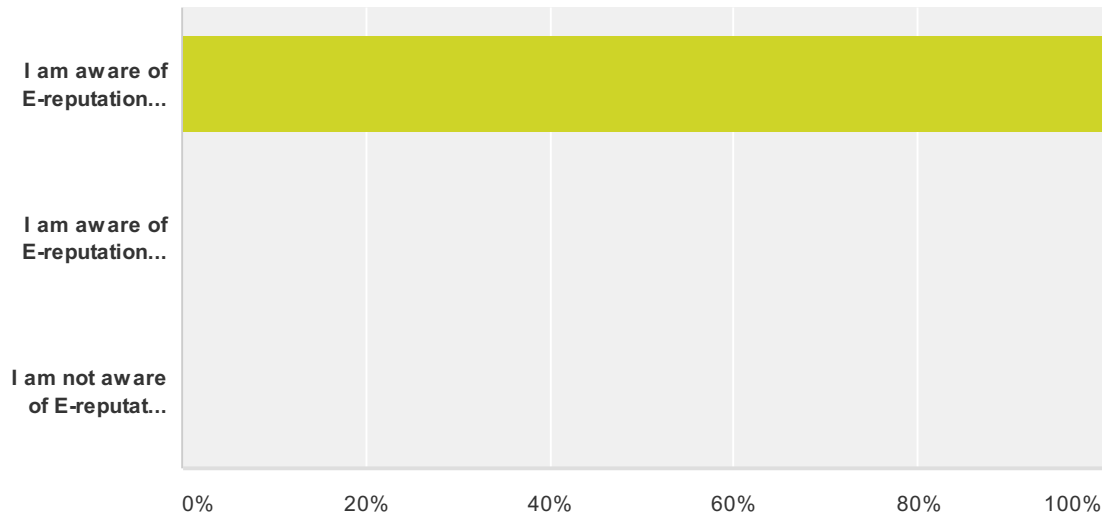
Answer Choices	Responses	
I am aware of E-reputation companies assisting hotel operators with online reviews	**100%**	4
I am aware of E-reputation companies, but not in the hotels sector specifically	**0%**	0
I am not aware of E-reputation companies	**0%**	0
Total		**4**

Q10 Has your organisation taken any specific actions to assist businesses with the problem of false or fake hotel reviews? If YES, could you please provide more details about the action your organisation took (e.g. preparing codes of conduct, best practice guides, etc.)?

Answered: 5   Skipped: 0
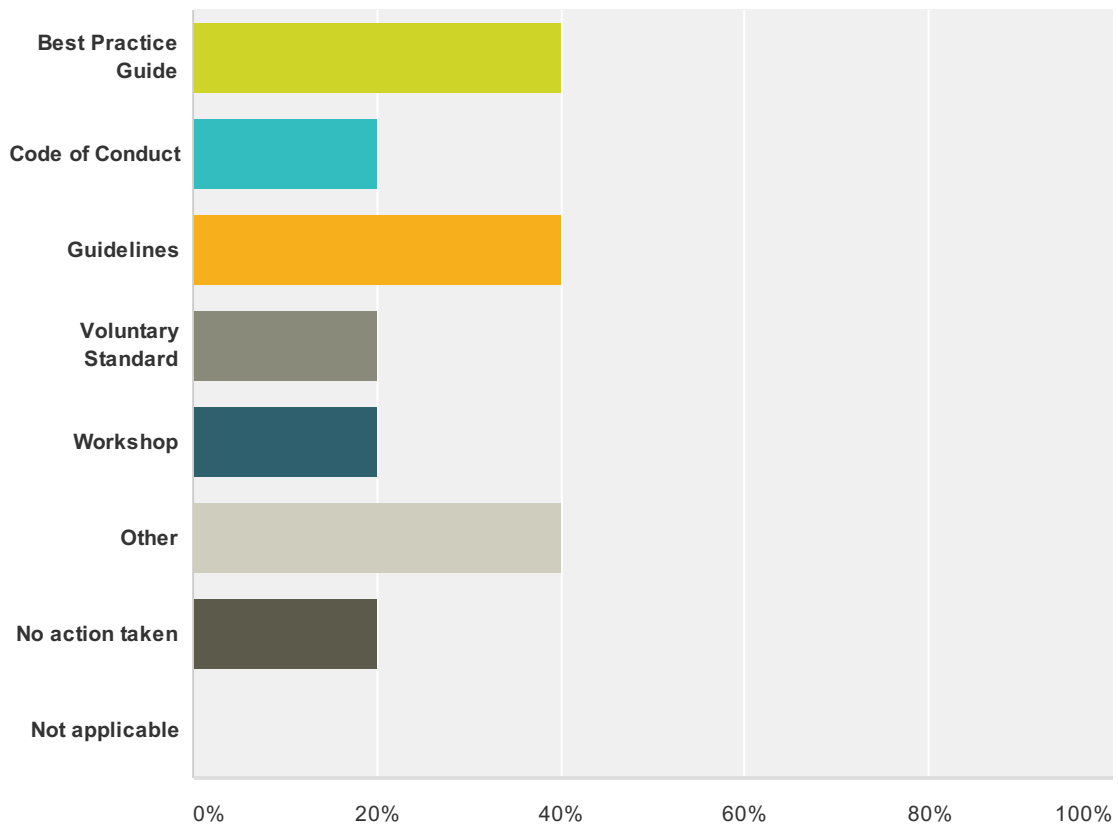
Answer Choices	Responses	
Best Practice Guide	**40%**	2
Code of Conduct	**20%**	1
Guidelines	**40%**	2
Voluntary Standard	**20%**	1
Workshop	**20%**	1
Other	**40%**	2
No action taken	**20%**	1
Not applicable	**0%**	0
Total Respondents: 5		

Q11 Has your organisation taken any specific actions in general to protect consumers from being misled by fake hotel reviews (e.g. awareness campaigns, publishing guidance to businesses on how reviews are to be managed, etc.)?

Answered: 5   Skipped: 0
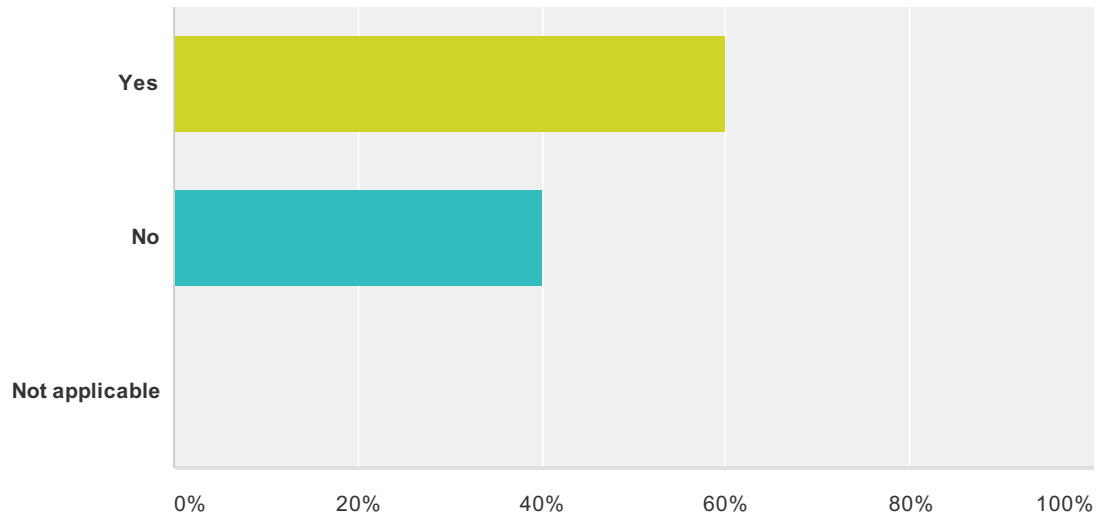
Answer Choices	Responses	
Yes	**60%**	3
No	**40%**	2
Not applicable	**0%**	0
Total		**5**

Q12 In your view, how effective have these specific actions been in combating fake hotel reviews posted online? Please answer below.

Answered: 5   Skipped: 0
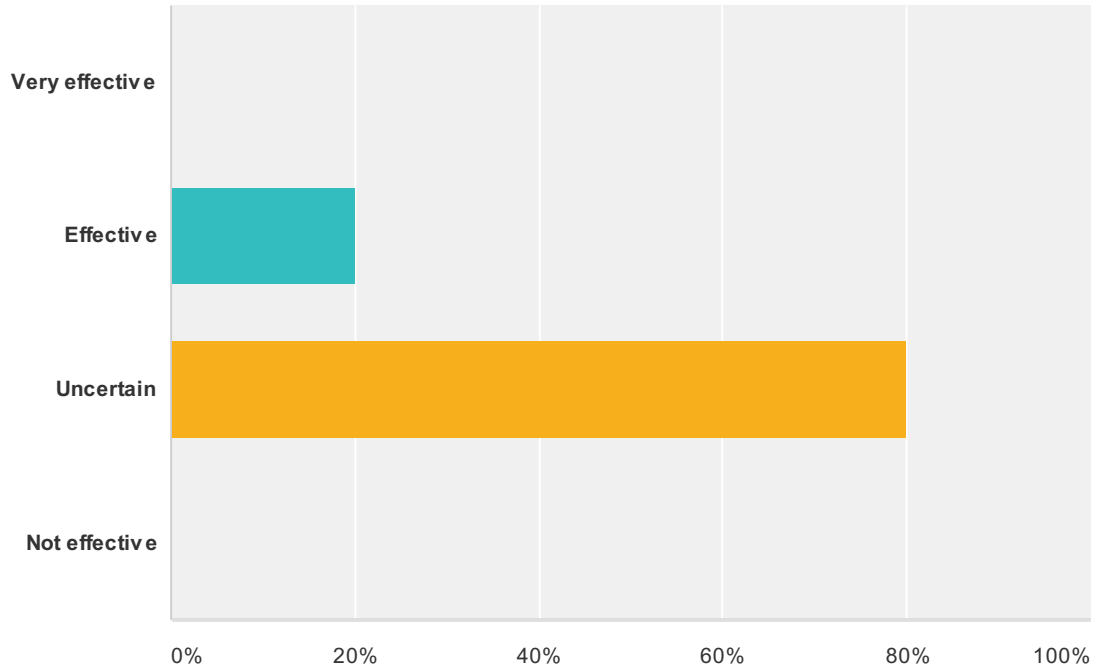
Answer Choices	Responses	
Very effective	**0%**	0
Effective	**20%**	1
Uncertain	**80%**	4
Not effective	**0%**	0
Total		**5**

Q13 In your view, what measures must website operators take to ensure that hotel reviews are trustworthy and not abused?

Answered: 5   Skipped: 0
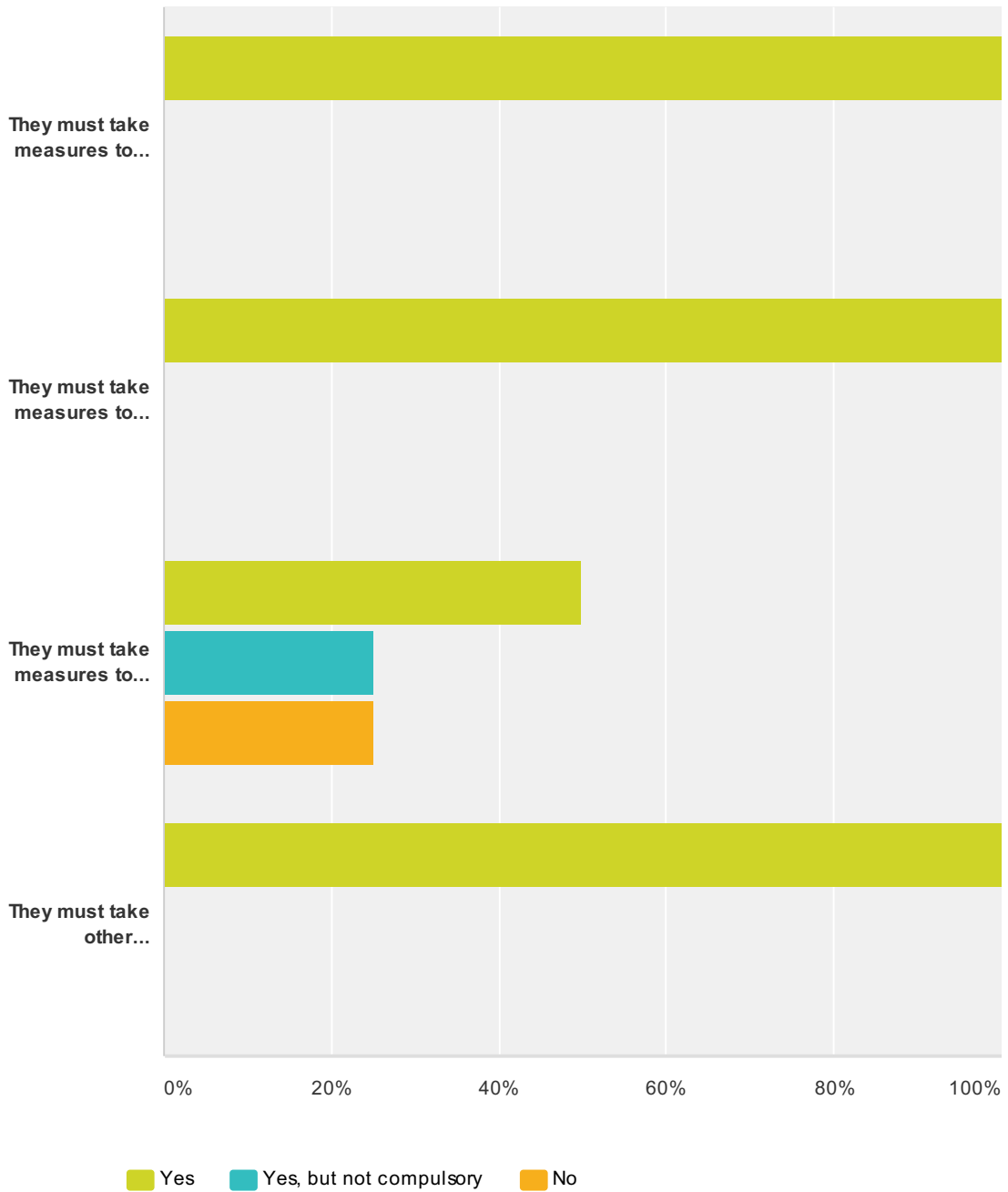
	Yes	Yes, but not compulsory	No	Total
They must take measures to verify the identity of reviewers	**100%** 5	**0%** 0	**0%** 0	5
They must take measures to verify that reviewers actually stayed in the hotels they are reviewing	**100%** 5	**0%** 0	**0%** 0	5
They must take measures to verify the information provided by consumers in reviews	**50%**	**25%**	**25%**	

They must take measures to verify the information provided by consumers in reviews	50% 2	25% 1	25% 1	4
They must take other additional measures (please specify)	**100%** 3	**0%** 0	**0%** 0	3

Q14 In your view, what are the best approaches (i.e. best practice) for hotel review websites to adopt in terms of:

Answered: 4   Skipped: 1

Answer Choices	Responses	
Verifying the identity of reviewers	**75%**	3
Verifying that reviewers actually stayed in the hotels	**100%**	4
Verifying the information provided by consumers in reviews	**25%**	1

Q15 In your view, what specific additional action is needed to address problems arising from misleading and/or false hotel reviews? Please indicate a maximum of three actions.

Answered: 5   Skipped: 0
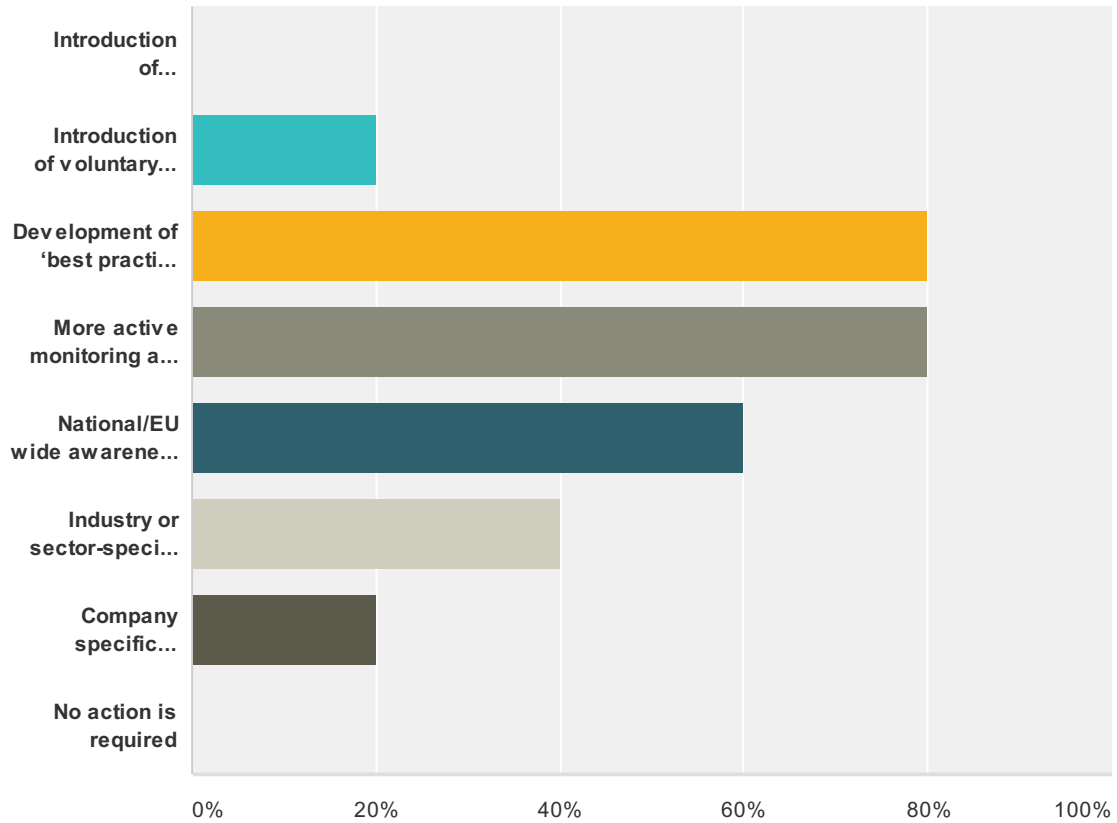
Answer Choices	Responses	
Introduction of accreditation schemes for websites	0%	0
Introduction of voluntary standards for websites	20%	1
Development of 'best practice' guidance document for review website operators	80%	4
More active monitoring and enforcement online by authorities	80%	4
National/EU wide awareness campaigns for consumers on fake reviews	60%	3
Industry or sector-specific initiatives (e.g. led by industry associations)	40%	2
Company specific initiatives	20%	1
No action is required	0%	0
Total Respondents: 5		

Hotel Reviews: Associations

Q16 Are you aware of any measures taken (or in the pipeline) to tackle the problem of false or fake reviews in other countries (including in non-European countries)?

Answered: 5   Skipped: 0
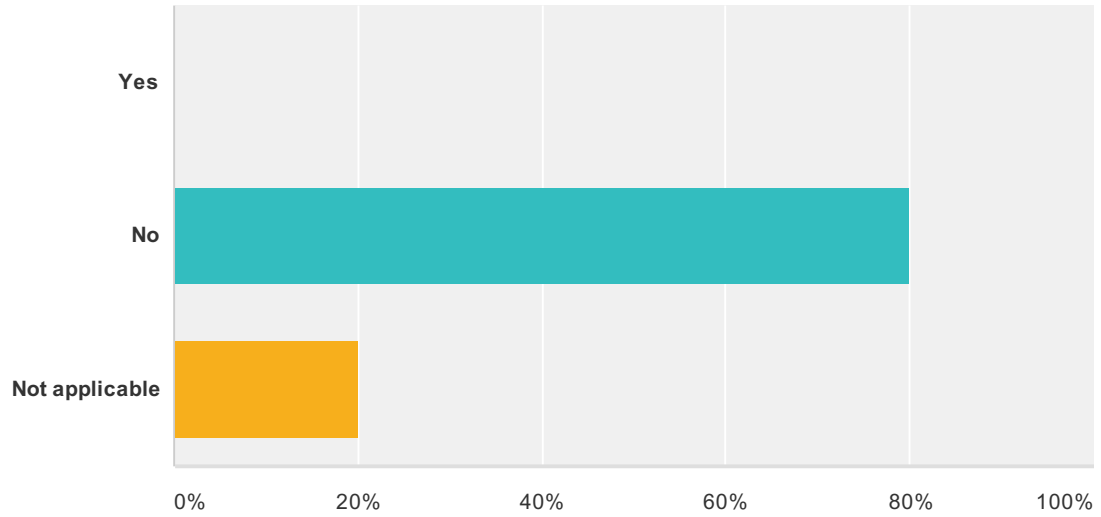
Answer Choices	Responses	
Yes	**0%**	0
No	**80%**	4
Not applicable	**20%**	1
Total		**5**

Q17 Would you be interested in participating in a workshop to explore in more detail (alongside other policy makers and stakeholders) how to address the problems arising from fake reviews in the hotel sector.

Answered: 5   Skipped: 0
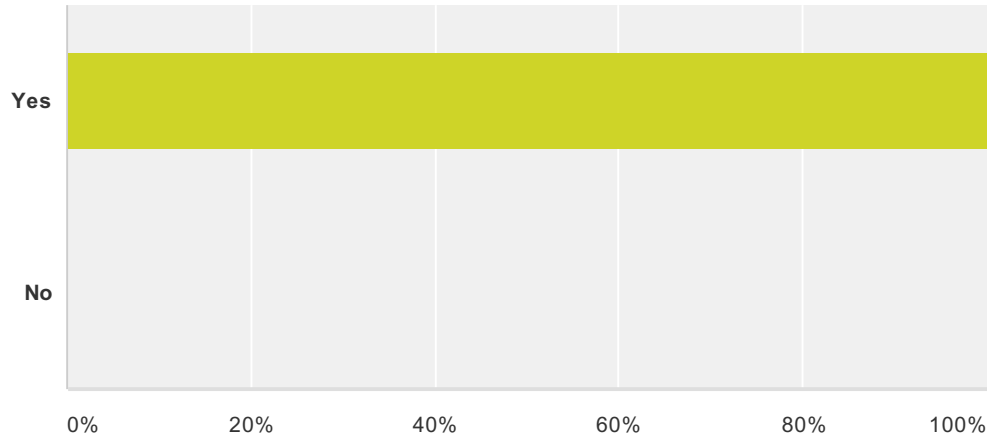
Answer Choices	Responses	
Yes	**100%**	5
No	**0%**	0
Total		**5**

ANNEX 3

WEBSITE ANALYSIS

Hotel Study Website Checking

Q1 Country

Answered: 423   Skipped: 0
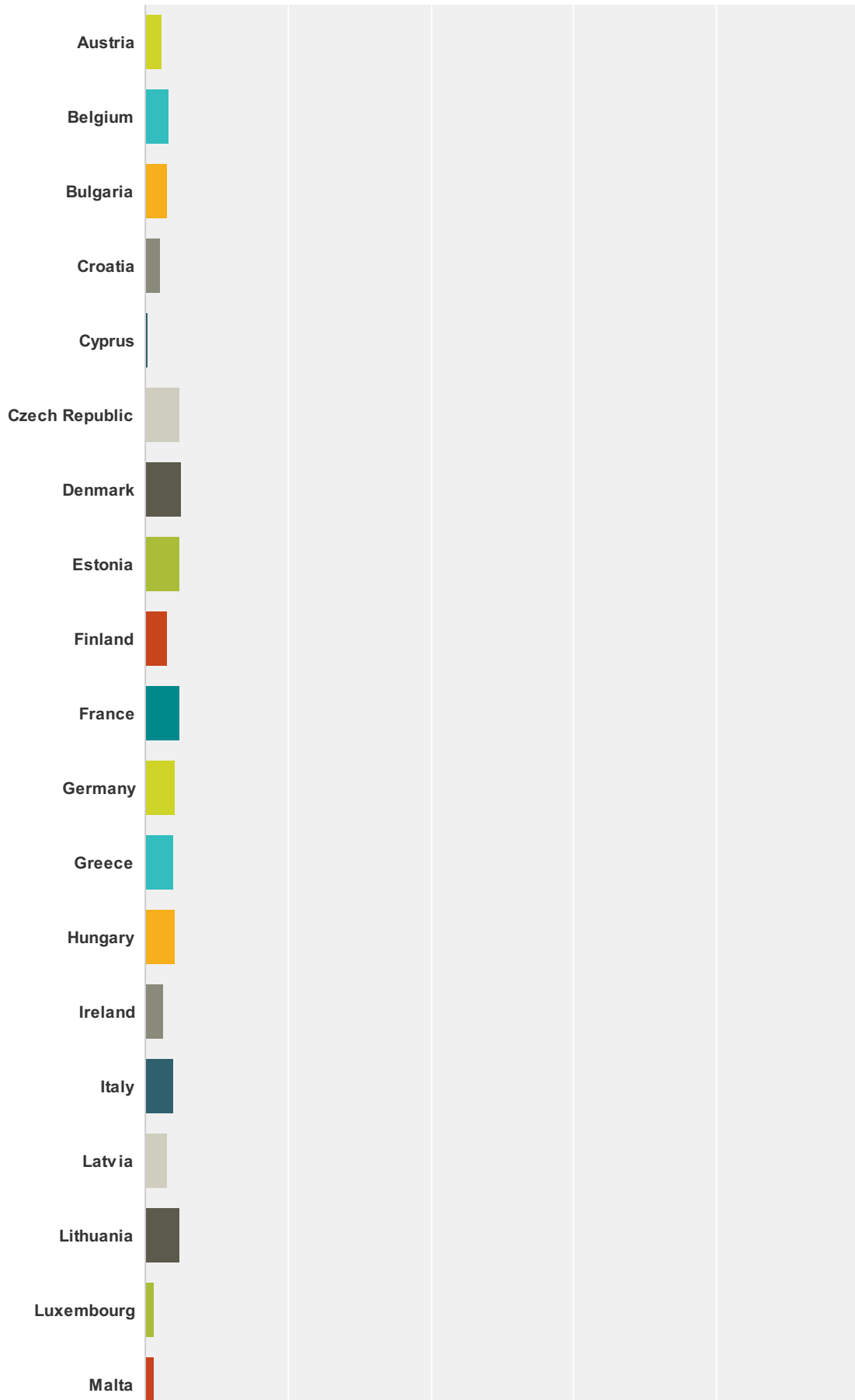
Hotel Study Website Checking
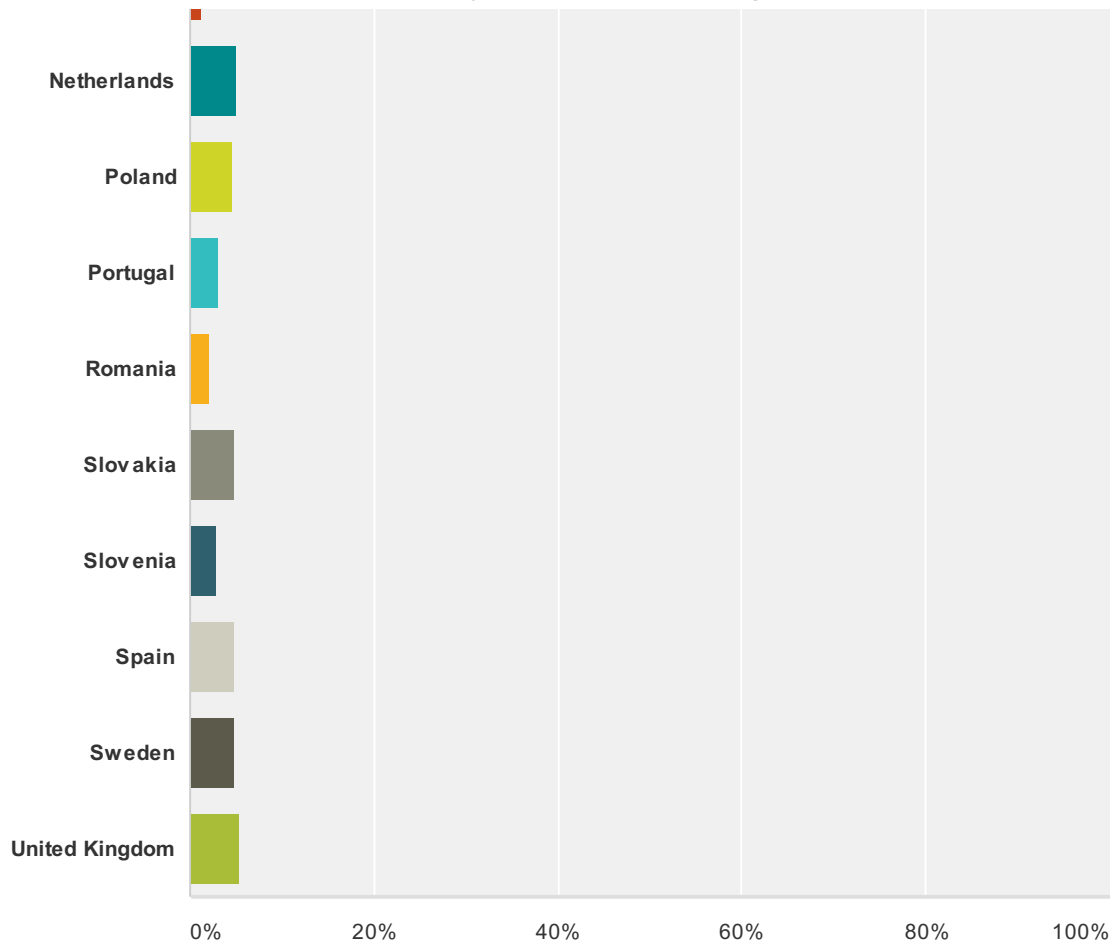
Answer Choices	Responses	
Austria	**2.36%**	10
Belgium	**3.31%**	14
Bulgaria	**3.07%**	13
Croatia	**2.13%**	9
Cyprus	**0.47%**	2
Czech Republic	**4.73%**	20
Denmark	**4.96%**	21
Estonia	**4.73%**	20
Finland	**3.07%**	13
France	**4.73%**	20
Germany	**4.26%**	18
Greece	**4.02%**	17
Hungary	**4.26%**	18
Ireland	**2.60%**	11
Italy	**4.02%**	17

Hotel Study Website Checking

Latvia	**3.07%**	13
Lithuania	**4.73%**	20
Luxembourg	**1.18%**	5
Malta	**1.18%**	5
Netherlands	**4.96%**	21
Poland	**4.49%**	19
Portugal	**3.07%**	13
Romania	**2.13%**	9
Slovakia	**4.73%**	20
Slovenia	**2.84%**	12
Spain	**4.73%**	20
Sweden	**4.73%**	20
United Kingdom	**5.44%**	23
Total		**423**

Q2 Website

Answered: 423   Skipped: 0

Hotel Study Website Checking

Q3 Type of website checked

Answered: 423   Skipped: 0
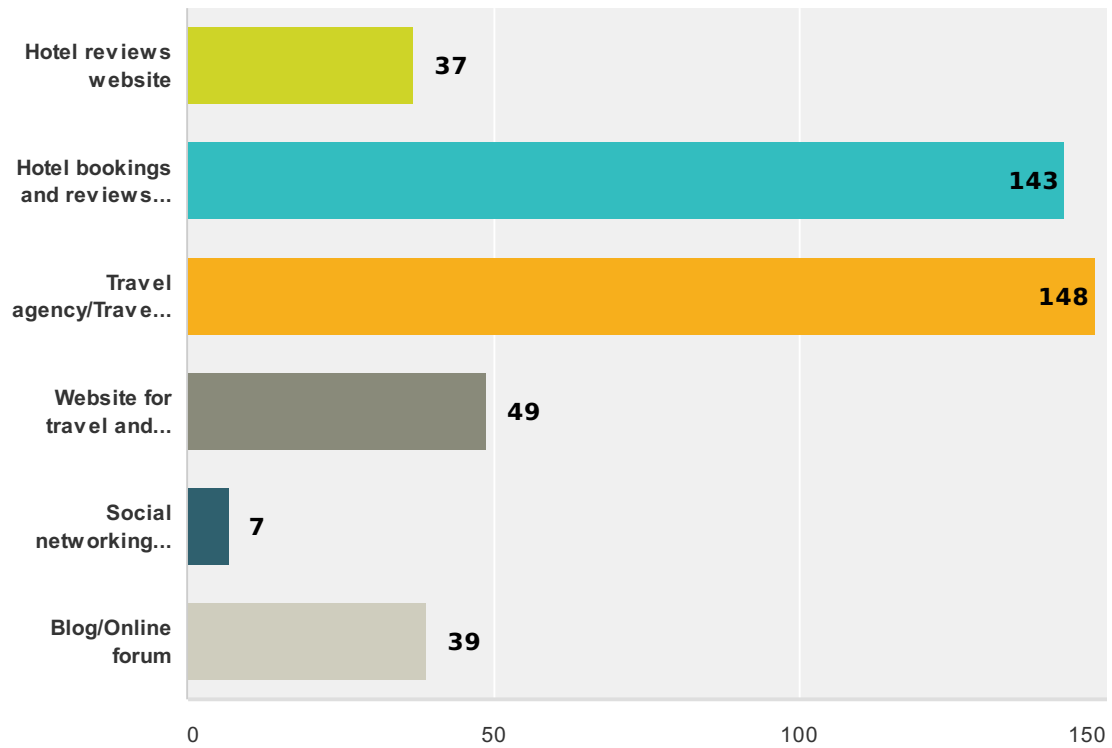
Answer Choices	Responses	
Hotel reviews website	**8.75%**	37
Hotel bookings and reviews website	**33.81%**	143
Travel agency/Travel website	**34.99%**	148
Website for travel and other products	**11.58%**	49
Social networking website	**1.65%**	7
Blog/Online forum	**9.22%**	39
Total		**423**

Hotel Study Website Checking

Q4 What is the default setting for reviews arranged by?

Answered: 337   Skipped: 86
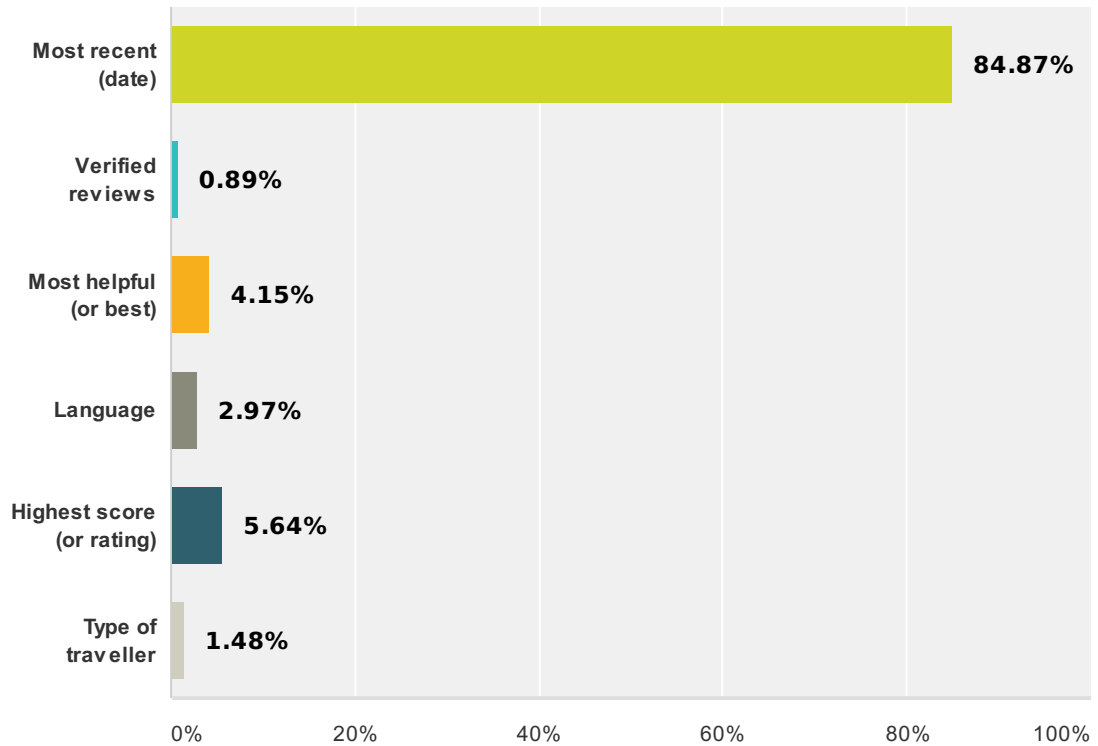
Answer Choices	Responses	
Most recent (date)	**84.87%**	286
Verified reviews	**0.89%**	3
Most helpful (or best)	**4.15%**	14
Language	**2.97%**	10
Highest score (or rating)	**5.64%**	19
Type of traveller	**1.48%**	5
Total		**337**

Hotel Study Website Checking

Q5 Can reviews be sorted by:

Answered: 198   Skipped: 225

Most recent (date)	71.21%
Verified reviews	2.02%
Most helpful (or best)	15.15%
Language	19.19%
Highest score (or rating)	36.87%
Type of traveller	31.31%
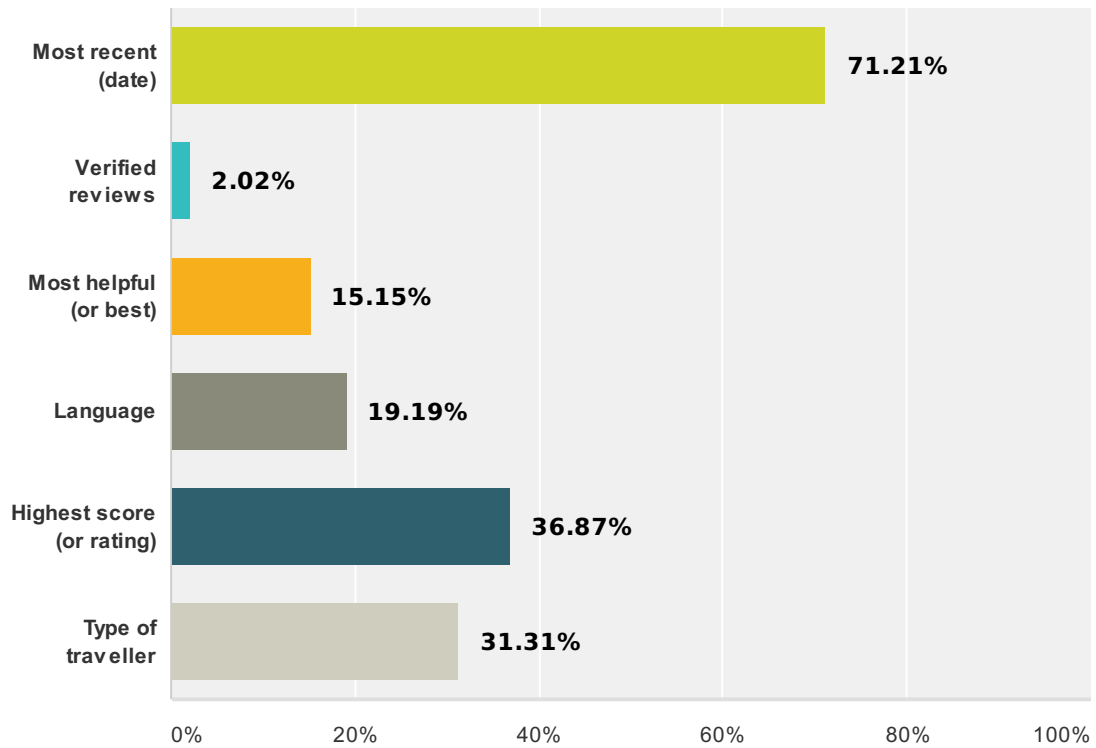
Answer Choices	Responses	
Most recent (date)	71.21%	141
Verified reviews	2.02%	4
Most helpful (or best)	15.15%	30
Language	19.19%	38
Highest score (or rating)	36.87%	73
Type of traveller	31.31%	62
Total Respondents: 198		

Q6 What types of reviews are provided on the website?

Answered: 401   Skipped: 22
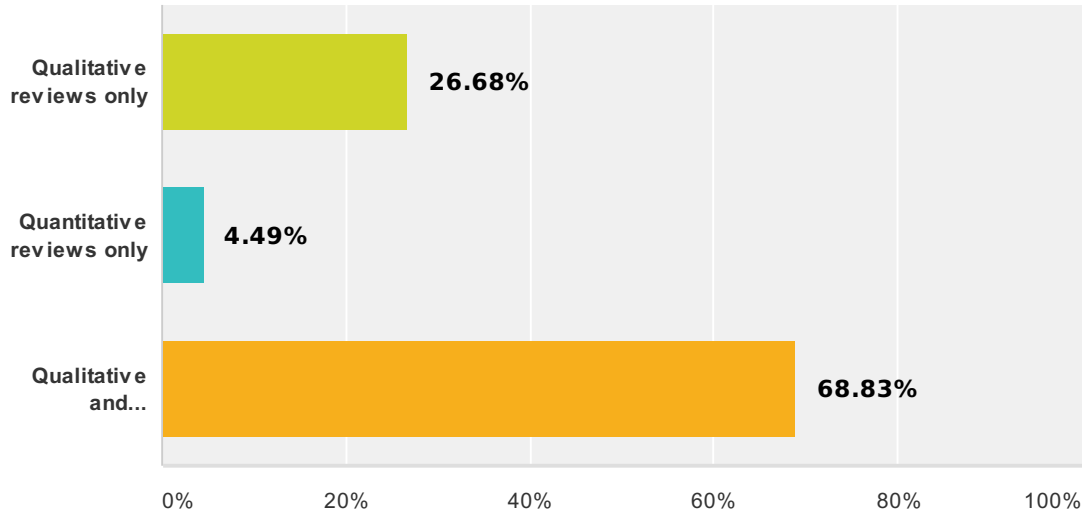
Answer Choices		Responses	
Qualitative reviews only		**26.68%**	107
Quantitative reviews only		**4.49%**	18
Qualitative and quantitative reviews		**68.83%**	276
Total			**401**

Q7 Is the total number of reviews received on the website clearly indicated (e.g. based on 935 reviews)?

Answered: 410   Skipped: 13
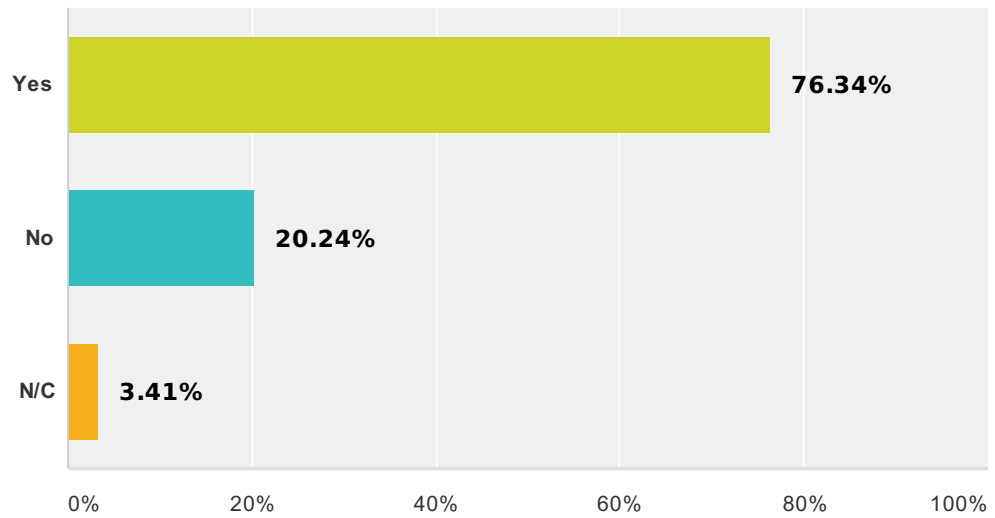
Answer Choices	Responses	
Yes	76.34%	313
No	20.24%	83
N/C	3.41%	14
Total		410

Q8 Is the total number of relevant reviews limited to a given time range (e.g. based on reviews in the last 3 years)?

Answered: 407   Skipped: 16
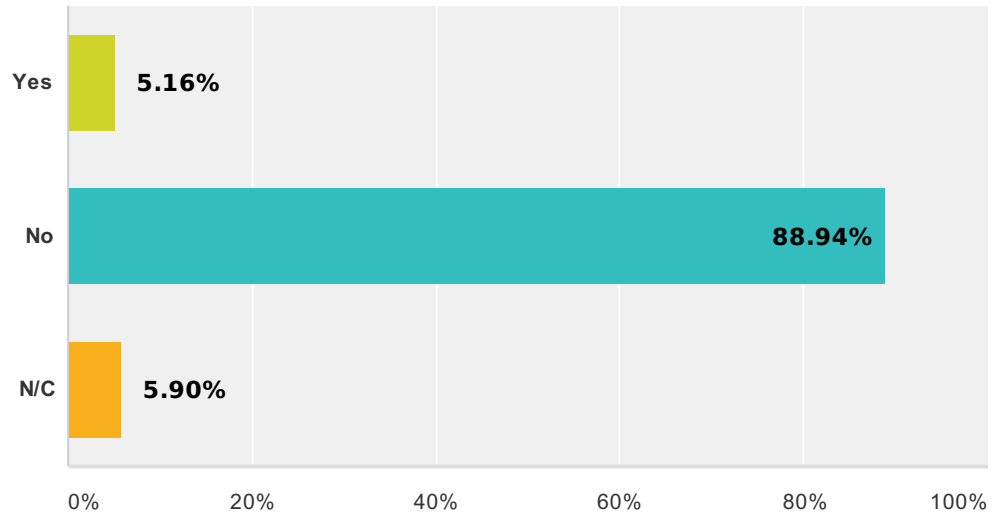
Answer Choices	Responses	
Yes	5.16%	21
No	88.94%	362
N/C	5.90%	24
Total		407

Q9 Are the "dates of stay" of the consumer visible on the website when reading a review?

Answered: 406   Skipped: 17
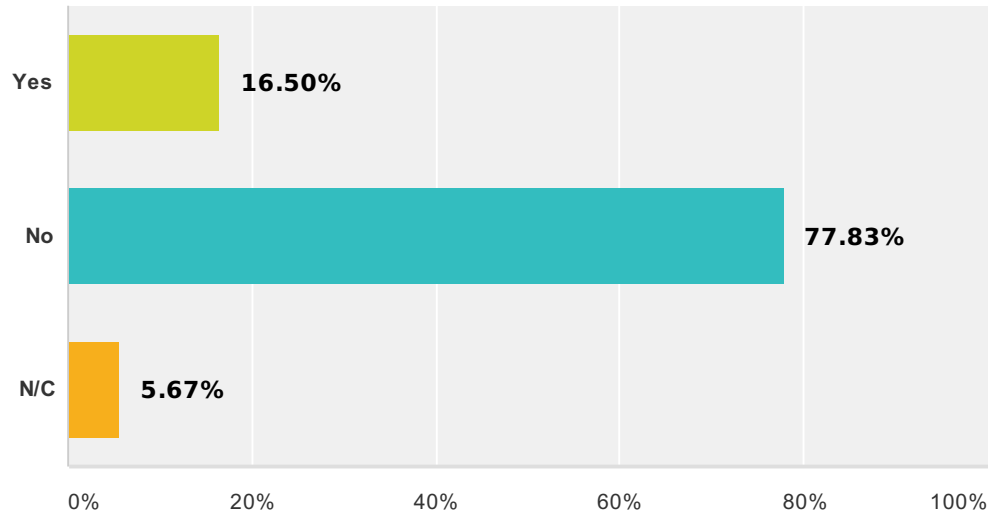
Answer Choices	Responses	
Yes	**16.50%**	67
No	**77.83%**	316
N/C	**5.67%**	23
Total		**406**

Q10 How many quantitative criteria are shown?

Answered: 289   Skipped: 134
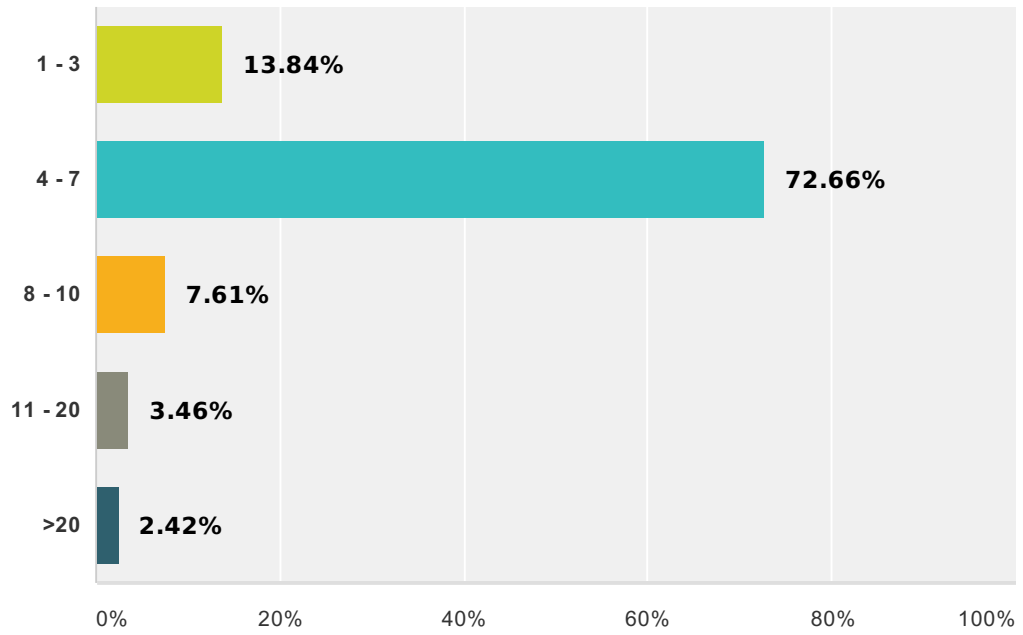
Answer Choices	Responses	
1 - 3	**13.84%**	40
4 - 7	**72.66%**	210
8 - 10	**7.61%**	22
11 - 20	**3.46%**	10
>20	**2.42%**	7
Total		**289**

Hotel Study Website Checking

Q11 Tick which of the following are amongst the criteria

Answered: 273   Skipped: 150
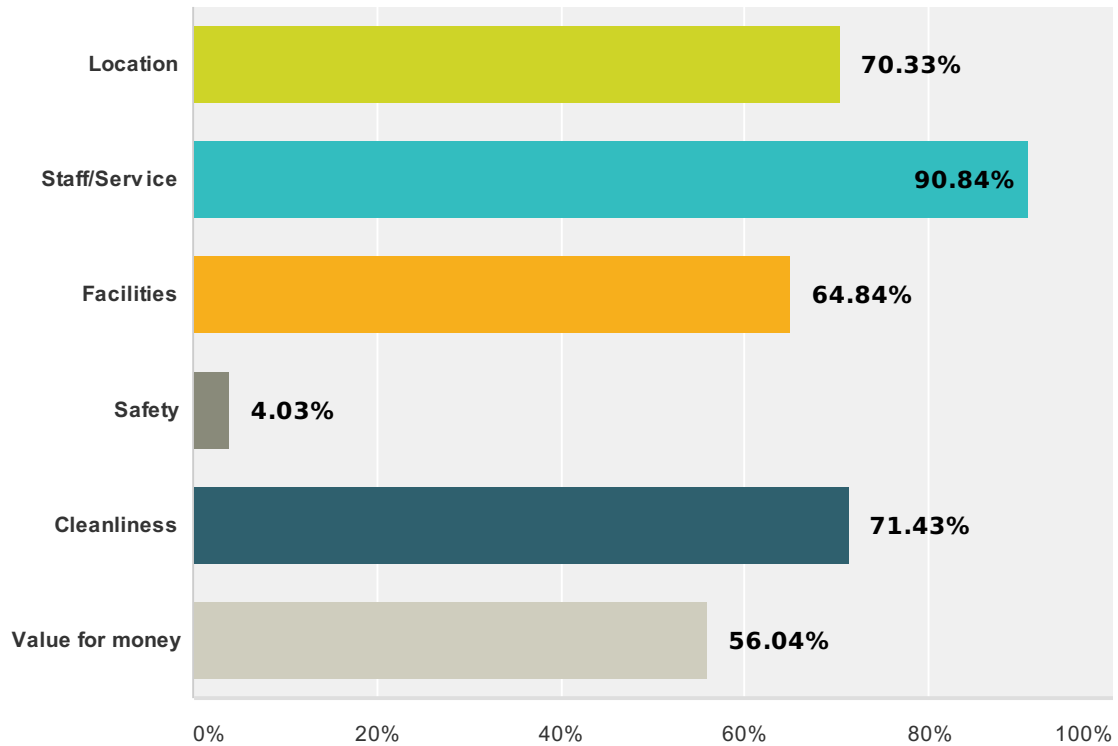
Answer Choices	Responses	
Location	**70.33%**	192
Staff/Service	**90.84%**	248
Facilities	**64.84%**	177
Safety	**4.03%**	11
Cleanliness	**71.43%**	195
Value for money	**56.04%**	153
Total Respondents: 273		

Q12 Which of these tabs/links can be seen on the review website?

Answered: 391   Skipped: 32
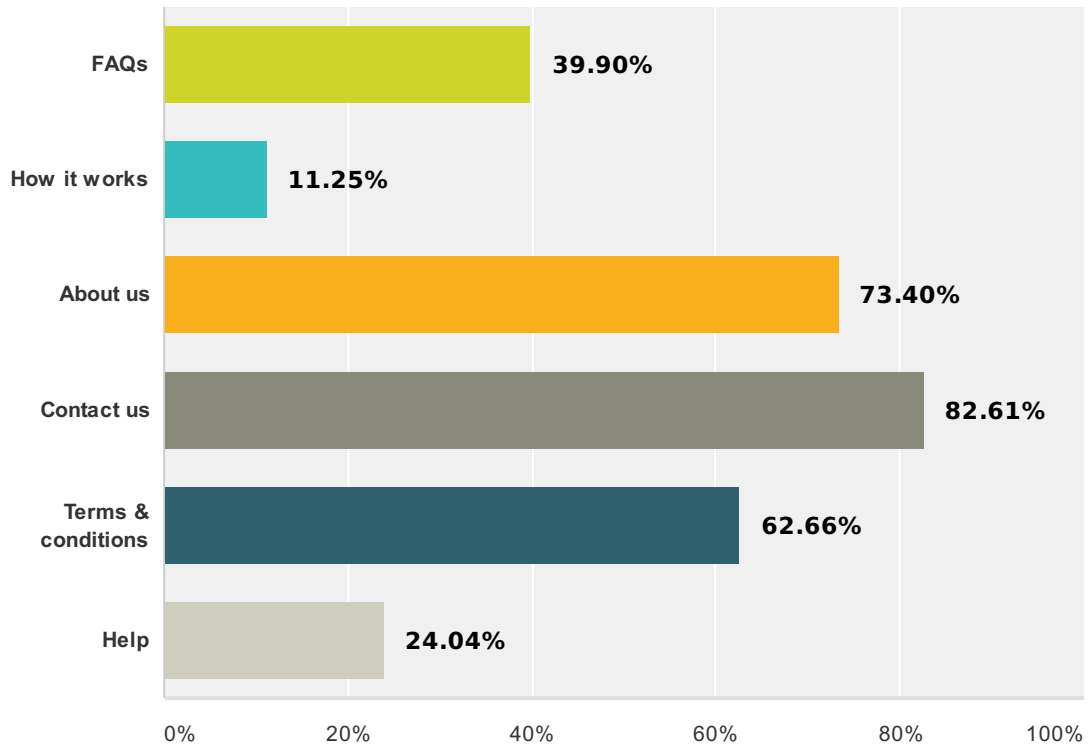
Answer Choices	Responses	
FAQs	**39.90%**	156
How it works	**11.25%**	44
About us	**73.40%**	287
Contact us	**82.61%**	323
Terms & conditions	**62.66%**	245
Help	**24.04%**	94
Total Respondents: 391		

Q13 Which of these contact details relating to the review website (not the hotel being reviewed) can be seen?

Answered: 384   Skipped: 39
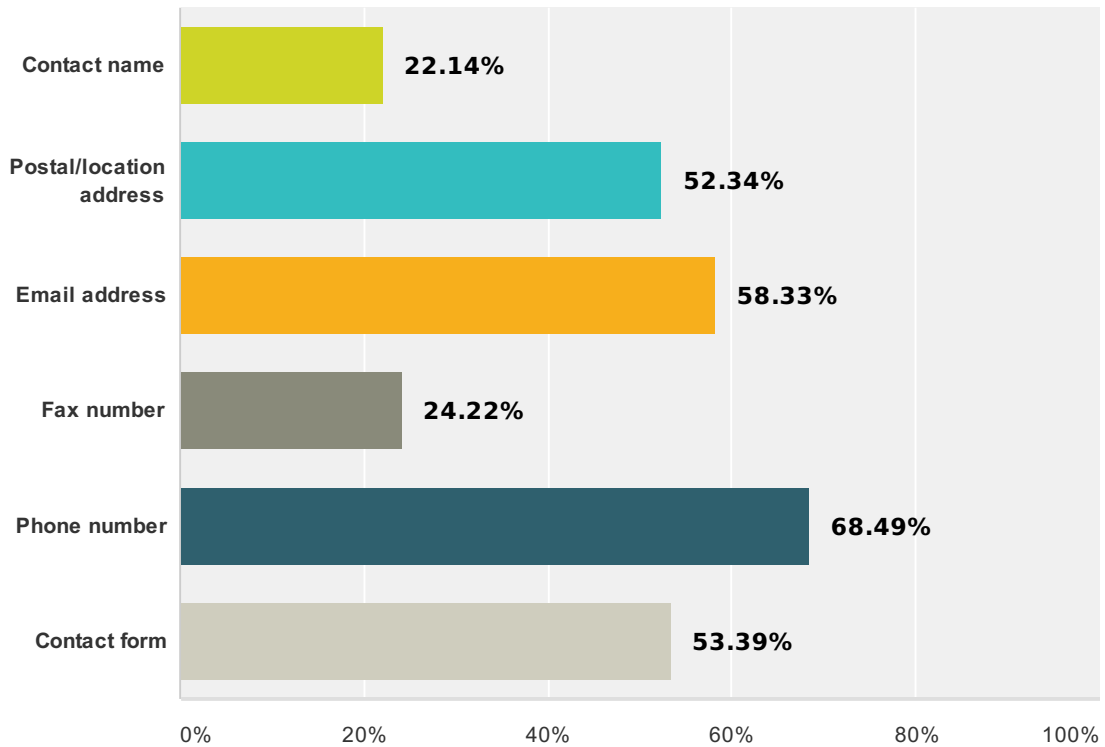
Answer Choices	Responses	
Contact name	**22.14%**	85
Postal/location address	**52.34%**	201
Email address	**58.33%**	224
Fax number	**24.22%**	93
Phone number	**68.49%**	263
Contact form	**53.39%**	205
Total Respondents: 384		

Q14 Provide any additional information on the "Overall Presentation of Reviews" here

Answered: 243   Skipped: 180

Q15 Can you post a review directly on the website (e.g. without creating an account or using a link from an e-mail)?

Answered: 414   Skipped: 9
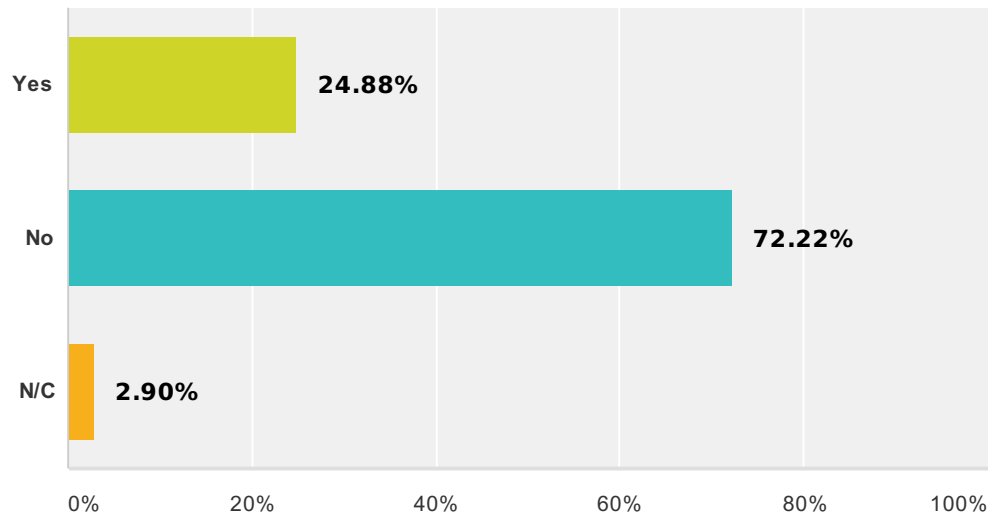
Answer Choices	Responses	
Yes	24.88%	103
No	72.22%	299
N/C	2.90%	12
Total		414

Q16 Which of the following do you need to post a review?

Answered: 249   Skipped: 174
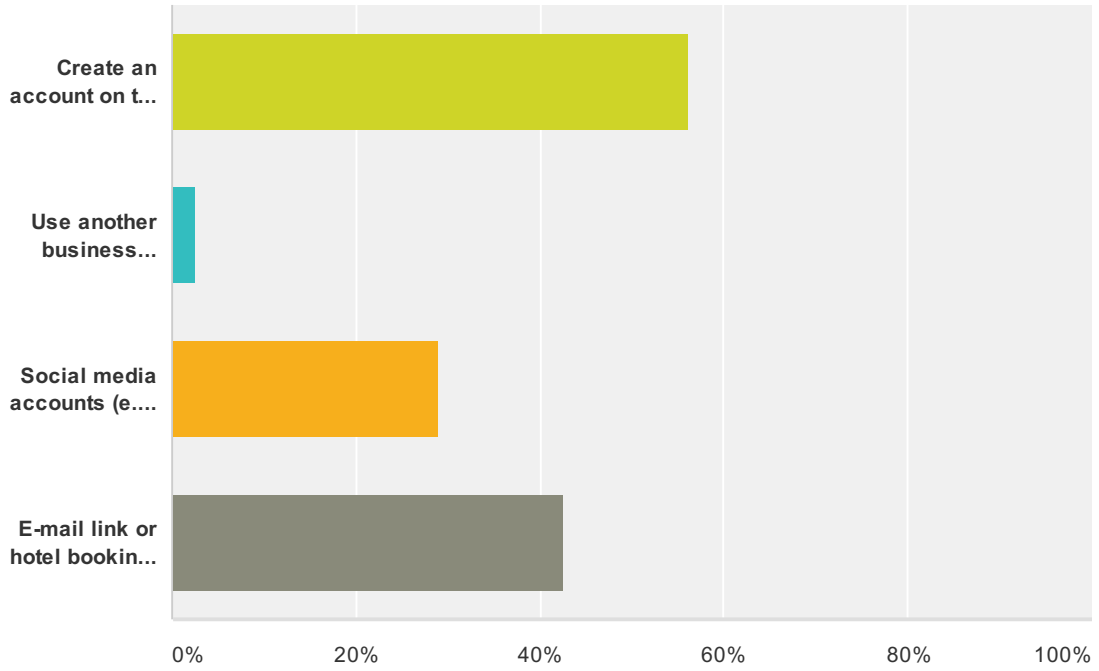
Answer Choices	Responses	
Create an account on the website	**56.22%**	140
Use another business account	**2.41%**	6
Social media accounts (e.g. Facebook)	**28.92%**	72
E-mail link or hotel booking reference	**42.57%**	106
Total Respondents: 249		

Q17 Are you required to provide evidence of actual stay in order to provide a review (e.g. a booking reference)?

Answered: 411   Skipped: 12
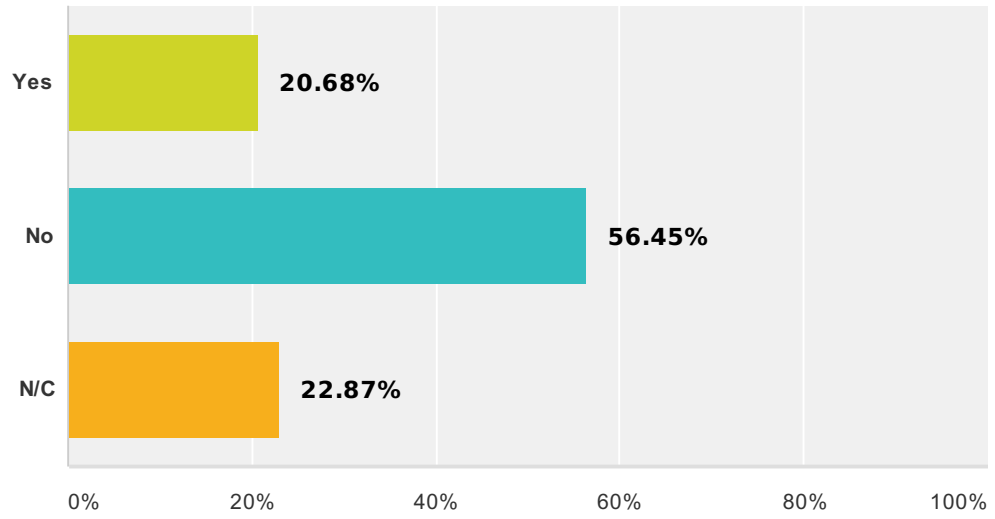
Answer Choices	Responses	
Yes	20.68%	85
No	56.45%	232
N/C	22.87%	94
Total		411

Q18 Is it possible for the consumer to submit photos?

Answered: 412   Skipped: 11
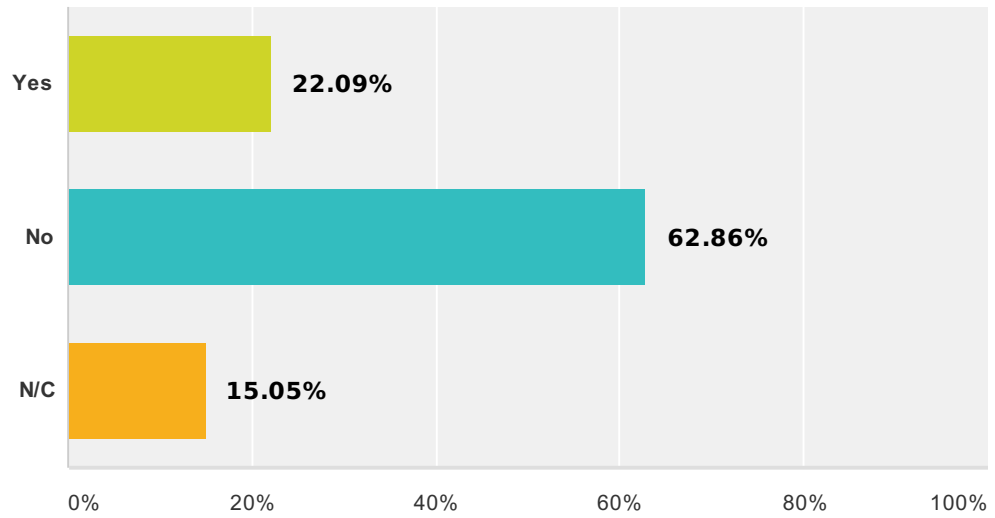
Answer Choices	Responses	
Yes	**22.09%**	91
No	**62.86%**	259
N/C	**15.05%**	62
Total		**412**

Q19 Is there a disclaimer/policy relating to fake reviews for reviewers to read just prior to posting a review?
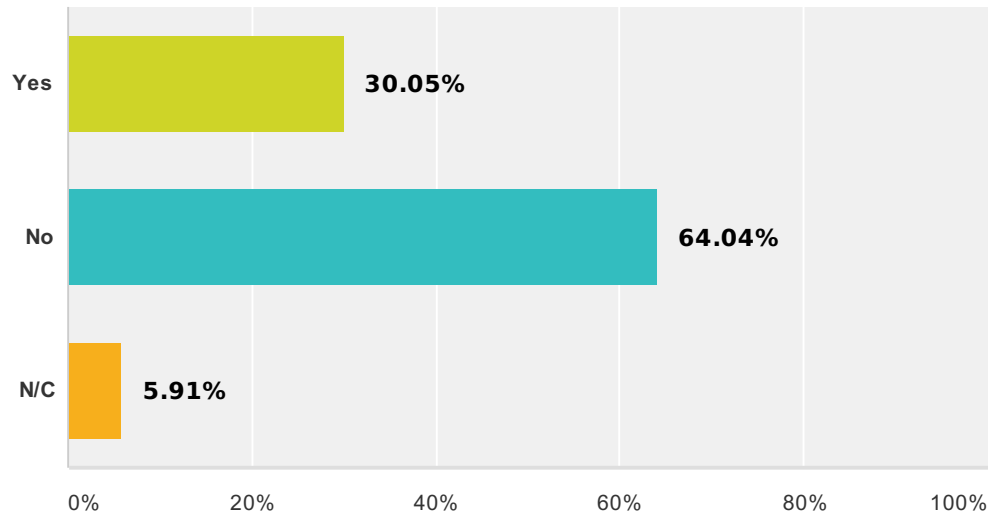
Answered: 413   Skipped: 10
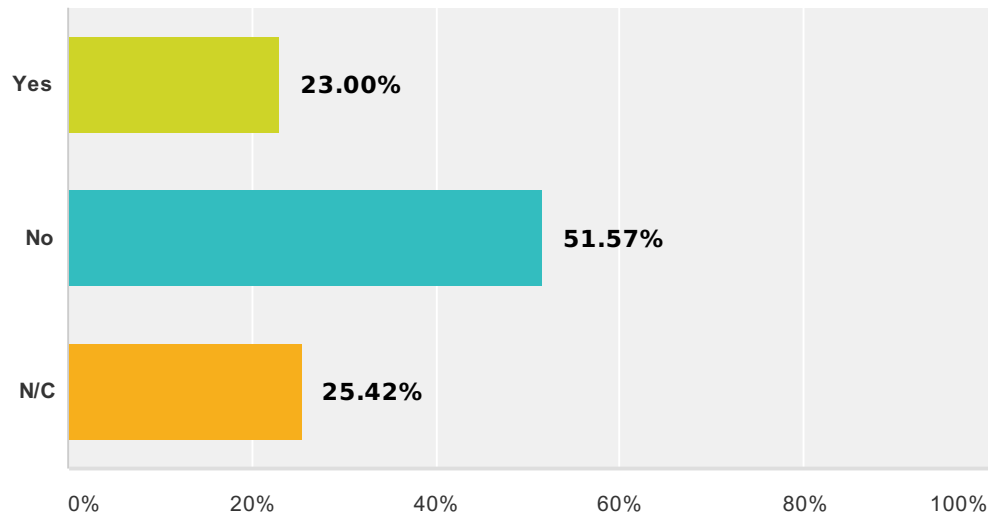
Answer Choices	Responses	
Yes	23.00%	95
No	51.57%	213
N/C	25.42%	105
Total		413

Q20 Provide any additional information on "Posting a Review" here

Answered: 209   Skipped: 214
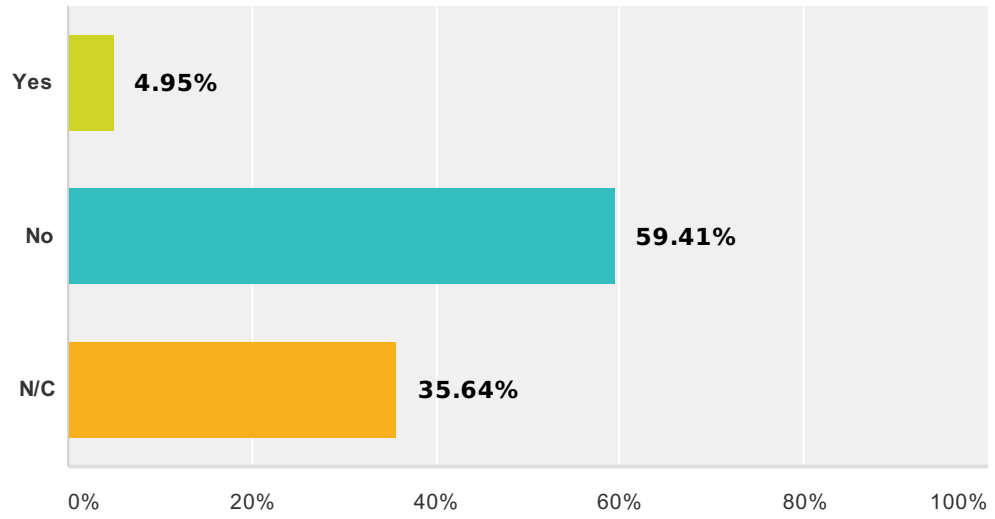
Q21 Is the scoring system explained on the website?

Answered: 406   Skipped: 17

Answer Choices	Responses	
Yes	**30.05%**	122
No	**64.04%**	260
N/C	**5.91%**	24
Total		**406**

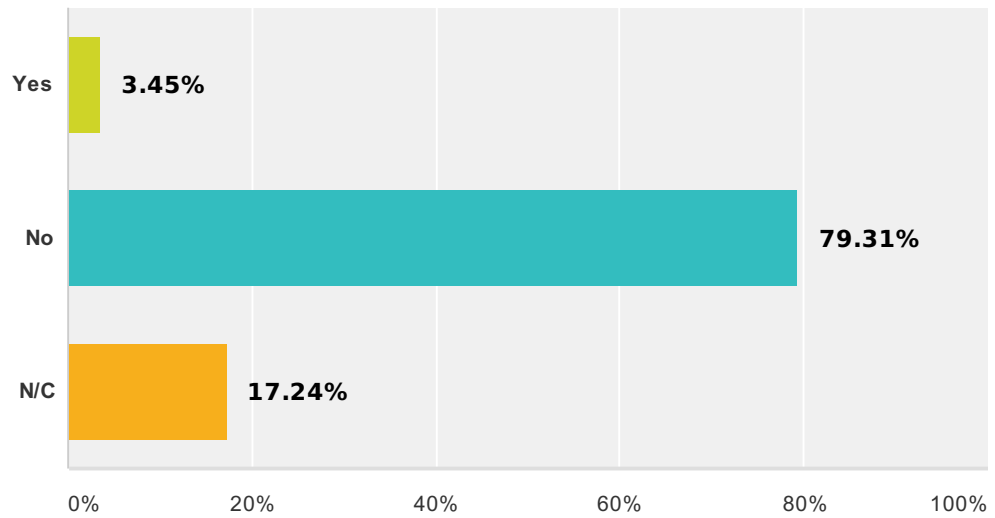## Q22 When a hotel operator responds to a review, is this clearly highlighted to a consumer reading the reviews?

Answered: 404   Skipped: 19

Answer Choices	Responses	
Yes	4.95%	20
No	59.41%	240
N/C	35.64%	144
Total		**404**

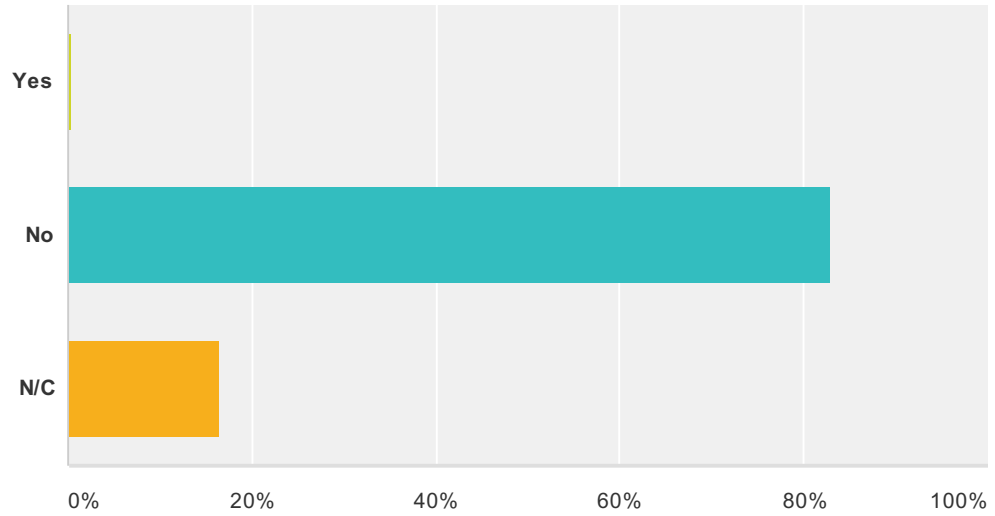## Q23 Is there a complaints procedure specified which tells hotel operators how to complain about fake reviews?

Answered: 406   Skipped: 17

Answer Choices	Responses	
Yes	3.45%	14
No	79.31%	322
N/C	17.24%	70
Total		406

Q24 Is there a time limit specified within which complaints will be addressed?

Answered: 405   Skipped: 18

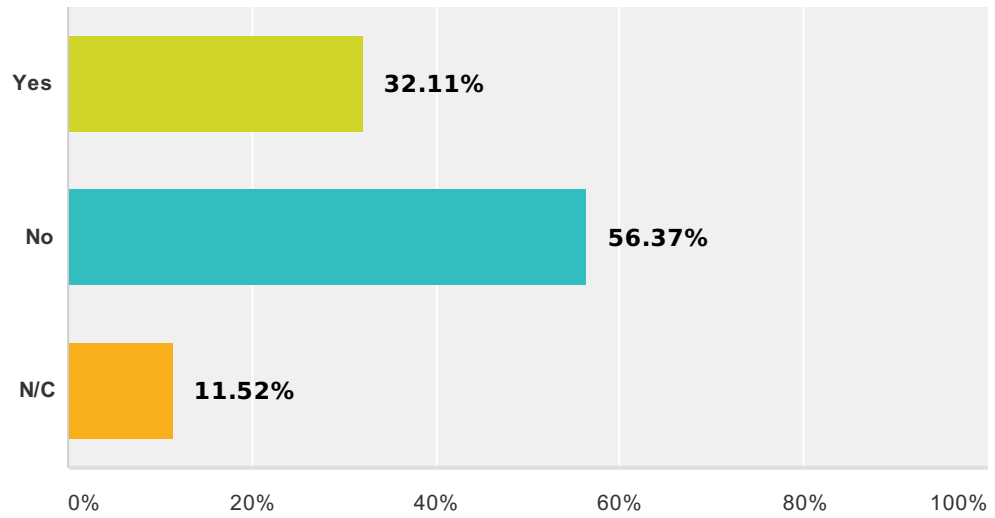| Answer Choices	Responses	
Yes	0.49%	2
No	82.96%	336
N/C	16.54%	67
Total		405

Q25 If "Yes", what is the time limit?

Answered: 4   Skipped: 419

Q26 Is there a reviews policy which states how reviews will be treated?

Answered: 408   Skipped: 15
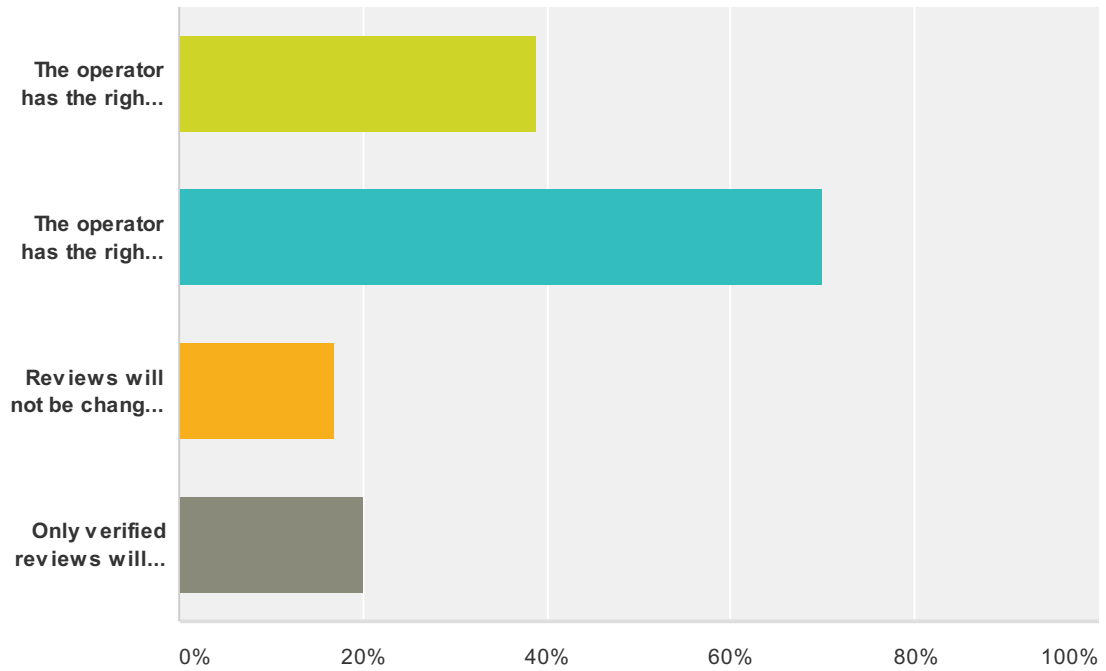

Answer Choices	Responses	
Yes	**32.11%**	131
No	**56.37%**	230
N/C	**11.52%**	47
Total		**408**

Q27 Which of the following is explicitly stated in the reviews policy?

Answer Choices	Responses	
The operator has the right to change reviews	**38.75%**	62
The operator has the right to delete reviews	**70%**	112
Reviews will not be changed or modified	**16.88%**	27
Only verified reviews will be published	**20%**	32
Total Respondents: 160		

Q28 **Is information provided on the website (or T&Cs) which clarifies that the positioning of reviews may be influenced by the sponsorship of particular companies or that the website platform is being operated by or for individual hotel or travel businesses?**

Answered: 403   Skipped: 20
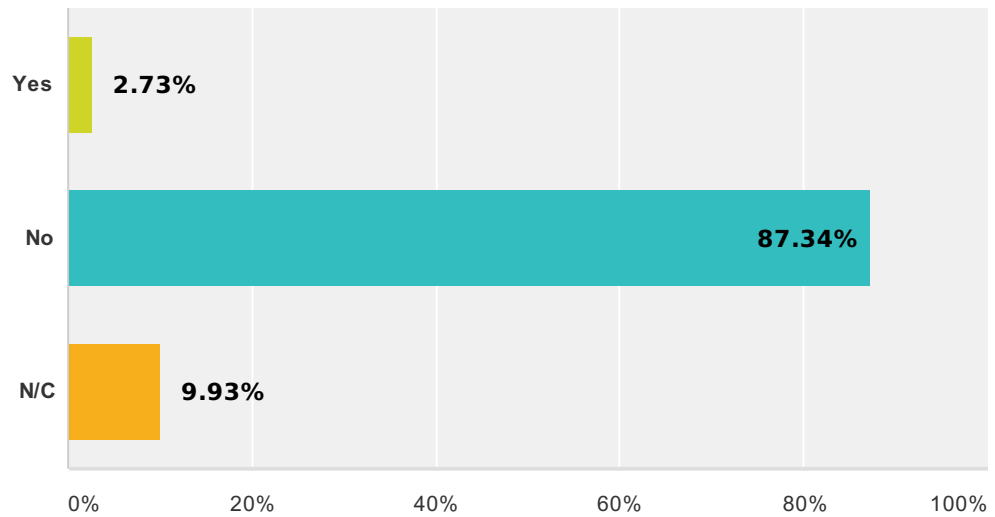
Answer Choices	Responses	
Yes	**2.73%**	11
No	**87.34%**	352
N/C	**9.93%**	40
Total		**403**

Q29 Provide any additional information on "Dealing with Misleading and/or False Reviews" here

Answered: 126   Skipped: 297